

Butterfly Art Project

ENCOURAGING CREATIVITY AND HEALING THROUGH ART

BOOK 1: HOW TO START AN ART CENTRE HANDBOOK CHAPTER 1-3



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ABBREVIATIONS

| | |
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| Asset-Based Community Development | ABCD |
| The Butterfly Art Project | BAP |
| Community Art Facilitators | CAFs |
| Community Based Organisation | CBO |
| Community-Driven Development | CDD |
| Companies and Intellectual Property Commission | CIPC |
| Civil Society Organisation | CSO |
| Department of Social Development | DSD |
| Early Childhood Development Centre | ECD |
| Faith-Based Organisation | FBO |
| Financial Intelligence Centre Act | FICA |
| Memorandum of Incorporation | MOI |
| Non-Governmental Organisation | NGO |
| Non-Profit Company | NPC |
| Non-Profit Organisation | NPO |
| Public Benefit Organisation | PBO |
| Search Engine Optimisation | SEO |
| South African Revenue Service | SARS |
| School Governing Body | SGB |

Credits

Conceptualisation:

The Butterfly Art Project

Research and Contributors:

The Butterfly Art Project and Holistix Consulting

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The Butterfly Art Project (BAP) is a non-profit organisation that encourages healing and creativity through the provision of visual arts programmes to disadvantaged, under-resourced communities. We are a group of caring artists, community art facilitators and art teachers and volunteers, led by art therapist, founder and director, Angela Katschke with support from around the world.

We believe that art is a medium that helps develop skills for creativity in all aspects of life and promotes healing. This is important in a country where trauma is often the “norm” for many of our communities and their members.

While BAP’s primary target group is predominantly children and youth, we reach them through the development of creative and therapeutic skills of community members known as Community Art Facilitators (CAFs), to enable them to establish art groups which provide art classes to children and youth.

OUR VISION

BAP encourages creativity and healing through art to build strong communities of active, artistic and stable citizens that are able to recognise and utilise personal and economic development opportunities. By partnering with diverse educational institutions, offering mentorships, training for educators and art practitioners to run healing art classes in vulnerable communities, we build resources for a creative network for a greater South Africa and beyond.

OUR PLANNED IMPACT

A community of active facilitators who use their BAP skills in vulnerable communities, to bring about healing, healthy social lives and who inspire others through art.

WHAT WE AIM TO ACHIEVE AND FOR WHOM

- **Promoting:** We promote the power of art to heal by demonstrating sustainable art teaching methods.
- **Enabling:** We enable our beneficiaries through the provision of skills, tools and materials needed to work within under-resourced communities.
- **Empowering:** We empower our beneficiaries by offering opportunities to explore and grow their artistic abilities to bring positive changes to themselves and to those that they work with.
- **Healing:** We bring diverse people who believe in the healing power of art together, to become BAP qualified Art Facilitators trained to provide a safe space for our

beneficiaries (children and youth) to experience healing through therapeutic art activities.

- **Developing:** We develop healing art projects, the Community Art Facilitator training curriculum, pilot projects and training methods to find local solutions for implementing art therapeutic principles in teaching.

THE BUTTERFLY ART PROJECT REGISTRATION DETAILS

NPO No.: 124-968 NPO

PBO No.: 930046145

VAT REG 4580267344

B-BBEE status Level 1

ABOUT THIS HANDBOOK

This handbook focuses on the key elements for starting an Art Centre based on the Butterfly Art Project’s (BAP) experience in planning and providing therapeutic art classes. This handbook provides a guide to the planning, registration and establishment of an art centre. You will also read about ways in which you can partner with BAP as a local affiliate or work independently to run art classes in your community.

The BAP programmes are designed to help local artists develop art groups and art based enterprises, and provide a range of opportunities for community engagement through the arts. BAP programmes offer development opportunities for creative and psycho-social health.

This handbook will highlight the legal requirements of registering your NPO (Not-for-Profit organisation) within South Africa, should you plan to establish an NPO (or NGO – Non-Governmental Organisation) outside of South Africa you will need to contact your relevant Government Department to research the registration requirements.

There are some aspects of this handbook that may seem overwhelming, and a lot of work. Remember that you do not have to get everything right the first time. Nor do you have to have everything in place before you begin offering your classes. It is more important that you plan, and over time, get all the required systems, structures, policies and procedures, and tools in place. Remember however that you will not be able to register your NPO without some of these in place. You will also struggle with your fundraising efforts unless you have all of these in place.

2. SO YOU WOULD LIKE TO START AN ART CENTRE?

The creative arts can help build new connections in your community and expand the local economy. Establishing an art centre is a first step toward raising the value of art and creativity in your community, and providing opportunities for creative expression and healing. The Butterfly Art Project (BAP) can help you explore how creativity and innovation can help you access opportunities and build your art centre.

BAP focuses on creating opportunities that allows people, especially children, to have access to—and participate in—high quality and lifelong learning experiences in the arts. We believe that learning experiences through the arts, helps people to develop the critical thinking, collaborative, and creative skills necessary to succeed in the ever changing diverse world.

While starting a community-based art centre can be a fulfilling and enjoyable endeavour, it is not always the easiest enterprise to start. It takes a lot of time, commitment and a willingness to keep going despite the challenges you may face.

Before we start however it is important to conceptualise your art centre. Take some time and sit in a quiet space – clear your mind and then ask yourself the following questions:

1. Can you see yourself running a small business?
Do you enjoy working with people?
2. Do you have the passion for art? Can you visualize yourself running your art centre? If so, describe your vision. If not, list the hurdles you see.
3. Describe the ideal situation in which you would run your art centre.
4. What would you ideally like to spend all your time doing if you didn't have money, time, or other constraints in your life right now?
5. What have you got to lose by trying the abovementioned activity?
6. In your artwork, do you love a particular medium or do you like to explore all sorts of media (oil or silk painting, mosaics, clay, woodwork, scrapbooking, etc.)? Are there any other lesser-known materials you enjoy working with?
7. What would you ideally like to do with your particular artistic talents? Would you combine them with

other skills or expertise? (Be creative, as quirky and freespirted as you possibly can.)

8. Do you work well with people from diverse backgrounds? Do you have a basic understanding of human welfare (emotional and physical) on all levels?
9. Are you passionate about helping children in crisis? Are you courageous enough to face challenges with them?

Make sure you understand you community and the needs that exist. What are some of the support services being offered? Can you link into these to support the work they are doing, or can they support the work you are planning. Research whether someone else has started an art school or art business.

The following chapters will give you some insight to some of the requirements for starting an art centre, the information is designed to give you an overview and is by no means a comprehensive guide. It is important that you conduct the proper research based on your ideas and your local community.

Working through this handbook will give you some ideas of important areas that you will need to explore in order to develop you plan going forward. Once you have researched your community and the opportunities available, you can begin to conceptualize your ideas and then start to achieve your goals by taking action.

3. DOING YOUR HOMEWORK

3.1 THINKING-IT-THROUGH

The planning process is one of the most important steps in setting up your art centre and the projects you are going to offer, because this is where it all begins. It is also the process that normally gets the least attention which is why so many new enterprises struggle.

Deciding how you will operate within your community is an important part of planning your art centre, for example, will you:

- Operate as a mobile service in schools, at community centres, in churches perhaps?
- Establish your own studio, renting or owning your own building?
- Work as part of a broader collective, perhaps as a cooperative of entrepreneurs or at a church or community centre?

When looking for a place to house your art centre, you could consider churches, spaces in or near to schools and libraries, or a building in your community that can be easily renovated. Look for spaces that are easily accessible by public transport. This is especially important if you intend to serve children, youth or people from outside of your community.

Establishing your art centre in a community centre is a quick way to gain exposure, as opposed to starting from scratch. A community centre generally serves the whole community, and can provide a lot of the facilities you may need including ablutions, space (rooms) for art lessons or exhibitions, they are usually close to public transport so that people can access your services. If you are planning to set up your art centre in a community facility be sure about your priorities for the art centre and check that they align with those of the community centre. When negotiating with a community centre you will need to talk to the centre manager about your plan and curriculum and be clear about who you intend to recruit, what services you will offer and negotiate an agreement for the space you will need.

Should you decide to start your art centre in a church you will need to check the location based on who you are planning to recruit into your classes, access to transport and facilities you may need. Additionally churches are not always in a position to offer longerterm agreements and they may have some preconditions regarding what and how classes can be offered.

Working in schools may require permission from the School's Governing Body (SGB) and the Department of Education. In addition, some schools may not allow you to offer classes to community members – as this may be a security risk for the children at the school. If you are able to establish your art centre, or offer art classes, at a school, your options for offering evening classes or weekend classes may also be affected.

WHERE WILL YOU LOCATE YOUR ART CENTRE?

To help you decide where you would like to start your art centre – you should ask yourself the following questions:

1. How feasible is it for you to have your own studio?
2. How much space do you need to allocate for classes and other services?
3. What do you want your studio to say about you and your services?
4. Are you opening a small or large studio? Do a SWOT analysis.
5. Will you rent or own your art studio? Do a SWOT analysis on the advantages and disadvantages of each.
6. How feasible is it for you to work through a community centre? Either simply offering classes on a schedule – or renting space and setting up a studio. Do a SWOT analysis on the advantages and disadvantages of each.
7. How much space do you need to run your art classes and other services?
8. What other resources or facilities would you need from the community centre management?
9. How feasible is it for you to work through a local church? Either simply offering classes on a schedule – or renting space and setting up a studio. Do a SWOT analysis on the advantages and disadvantages of each.
10. How much space do you need to run your art classes and other services?
11. What other resources or facilities would you need from the Church?
12. How feasible is it for you to work through a local school? Either simply offering classes on a schedule – or renting space and setting up a studio. Do a SWOT analysis on the advantages and disadvantages of each.
13. How much space do you need to run your art classes and other services?
14. What other resources or facilities would you need from the school?

A SWOT analysis is an assessment that you do to identify the Strengths, Weaknesses, Opportunities, and Threats of ideas or situations. This analysis helps you identify opportunities and strategies to address issues are identified.

3.1.1 WHERE DO I START?

Once you've decided that your art centre is a viable option, you will need to follow these steps to ensure that your centre will be legally compliant and avoid wasting time and money as your organisation grows:

- 1. Plan, plan, plan:** A clear business plan is vital for success. A few important points to consider are your initial costs, your location, your target market, and how long it will take you to become sustainable.
- 2. Form a legal entity:** Establishing a legal entity (whether for-profit or non-profit) protects you in terms of being personally liable if your art centre business is sued.
- 3. Comply with legislative or regulatory requirements:** You may need to register or apply to various government departments to become a legal entity – depending on how you plan to structure your organisation.
- 4. Plan how your finances will be managed:** Recording your various expenses and sources of income is an important part of the financial management of your business. Keeping accurate and detailed accounts is required for transparency and accountability – especially if you are using funding from donors.
- 5. Open a business bank account:** A dedicated banking account for your art centre can help keep your finances organised and makes your business appear more professional to your clients.
- 6. Find out about insurance:** If you hire employees; Workers Compensation Insurance, Unemployment Insurance and tax on your employee's salaries are all legal requirements. Liability insurance is highly recommended if you are planning to have students attending lessons on your premises – this will protect you if the hurt themselves while attending your art classes.
- 7. Develop a marketing strategy:** Your brand is what your company stands for, as well as how your business is seen by your target group and broader community. You will need to carefully plan your marketing activities – for example: establishing a web site, using social media to attract new students.

- 8. Plan your art projects/ classes:** Know what you are going to offer, who you will offer it to and where.

3.1.2 SKILLS AND ATTRIBUTES YOU WILL NEED

While there is no formal education required to start an art centre, your own exposure to different training/ facilitation styles and artistic methods can be a big help – for example completing the various training modules offered through BAP. While having artistic skill is important, as is the desire to share this with others, it is just as important to develop or acquire (on your own or through the services of others) the following competencies:

- **Business Planning:** Are you able to write and implement a business plan, including visioning, defining success, identifying your target group (students), marketing and operations strategies, testing and refining, and creating a viable model?
- **Management:** Are you able to use implement a project to successful completion, on time and on budget? Be able to create, develop and articulate your business concept?
- **Access between Community & Creatives:** Are you able to help community members and creatives to find each other and work together well? Or help community members identify their own creativity?
- **Collaboration:** Can you promote cooperation and teamwork while participating in a group, working toward mutually beneficial solutions? Are you able to accommodate the different ways creativity manifests itself— visioning, innovating, experimenting, etc., when working with others on creative projects?
- **Creative Thinking:** Are you able to identify solutions to complex problems? Able to solve problems creatively? Are you able to articulate your vision for arts and creativity that includes increased value for community creatives and innovation? Can you identify possible career paths for creatives and use creativity to help innovate businesses and solve community issues and problems?

Key Skills: Communication, marketing, mentoring, fundraising/ financial management, interactive arts experiences and exposure, human resource management, have high emotional intelligence, and general management.

Another valuable skill is good old-fashioned networking, as you will need to utilise these relationships within both the artistic and educational communities to help find new students and get started quickly.

Remember it is not important that you have all the competencies or skills listed here – where you feel you are lacking, you can either learn the skills needed or access the services of someone who can support you in a specific area(s).

3.1.3 DOES MY COMMUNITY NEED AN ART CENTRE?

Whichever community you are planning to start an art centre in, you need to do your homework (research). You should consider the following:

- What do you know about the community you are entering? How can you access information about the community? Who lives in the community? What are the demographics (gender, age, etc)?
- What is the history of your community?
- How will you know that your art centre is wanted and/or needed?
- Working with children needs commitment and continuity. How long are you willing to serve your community? And is there someone who could partner with you in this initiative to help your work be sustainable?
- What resources can you source within the community? (human and creative)
- Keep the community development cycle in mind while researching the possible success of your idea:

THE COMMUNITY DEVELOPMENT CYCLE



Image from The Warehouse in 2012, <https://www.warehouse.org.za/>

Taking the time to properly plan your art centre will help ensure long-term success – this includes exploring all the ideas you have for the art centre. Here are some helpful hints:

1. Mind Map: This is a good way to clarify your thinking. Start by thinking and writing down all the ideas you have regarding your art centre. Envision how it could help and educate local citizens and provide a healthy social base for the community. For example, you could ask yourself: Do you want to have a centre, if so, what kind of centre? What type of equipment do you need? Do you want/ need to share that equipment? Will you be sharing the space with someone – perhaps in a community centre, a church? Or will you have your own building? Do you have an idea of what your ideal space would look like and have you mapped out a plan? Will your centre be open to other artists (like an art studio) or just for your classes?

2. Research: This step can take some time to complete, and can include researching what your community wants from your art centre and how can it enhance their needs and perhaps support or link into any current programmes and services offered. Identify the needs of the community members you plan to serve. This can be done through interviews with school teachers, librarians, clergy, community leaders and businesspeople in your community. Are there any other organisations similar to yours or someone who shares your ideas? Decide if your art centre will be a not-for-profit or a for-profit. What sort of resources (time, money, effort) would you require to start your art centre?

3. Network: Once you have good idea of what you want for your art centre you need to start connecting with likeminded people who could help you turn your idea into a solid plan. By being specific about your goals and taking a proactive stance, you can increase the likelihood that community leaders will support your art centre. If you do not have the experience or knowhow to develop a business plan, cash flow plan, understanding not-for-profits, etc. source the skills and knowledge from someone who can help – BAP is also available to assist you in this process. It is also very important to identify potential networking partners, donors, supporters outside your community and take time to “sell” them on your idea.

4. Community: Engage with your community! It is important for the ongoing success of your centre to be as big a part of your local community as you can. There are many ways to do this, for example participating in as

many community meetings/ activities as possible. Think about where your centre is going to be located consider what that area is like, what other places are in that area, what type of people visit or live there. Make sure that the community is going to support you and ensure that you will have a way to support that community in return.

5. Never stop researching: You will find that over time you will need to review your initial plan – things change! So remember to never stop re-working the business plan. The research part of running an art business or art centre is never ending. Remember that finding like-minded people or organisations to partner with can help you art centre evolve. There are always different ways of doing things and change is a good thing.

3.1.4 CHOOSING THE NAME FOR YOUR ART CENTRE

Choosing the right name for your art centre (especially if you have decided to go the NPO route) is critical to you developing an identity for your art centre. Your NPO's name is often the first thing people will learn about your organisation, so make it memorable and clear — giving people an easy-to-remember name can show them exactly what makes your organisation unique.

The first step in naming your NPO or one of its projects is to start with the mission. If you don't have a short and memorable mission, rewrite it. Once you have a strong mission, then you think about a name for your organisation. Choosing the right name can help make a strong first impression with donors, stakeholders and partners. The right name can help your NPO stand out from the crowd and encourage investment from potential funders.

A lot rests on the name of your NPO and even on what you call your projects. It is a good idea to think about using words that are:

- short, powerful and descriptive (for example: Red Cross, Alzheimer's South Africa, Breast Health Foundation)
- easy to remember and to say (for example: Give a Child a Family, Husky Rescue South Africa)
- can easily revert to memorable acronyms (for example: SPCA, YDA, SANCA, UNICEF)

You should choose a name that ideally represents the purpose of your NPO. Your non-profit name should make sense and reflect the mission and actions of your organisation. For example, if your NPO provides services to youth, you could name your organisation “Young

Leaders” or “Youth for the Future.” If your organisation is involved in capacity building (training) then you could use a name like “Knowledge Development” or “Training for Life”. Organisations dealing with orphans or vulnerable children could name themselves “Save the Children” or “OVC Place of Safety”. These are just a few simple examples, but the point is this: you should choose a name that reinforces your organisational identity (your brand). (We’ll talk more about brand development in the chapter 6: Marketing your art centre).

It is important to be strategic in deciding what your name will be, think about:

- **Uniqueness:** Does the name support the positioning and reflect the essence of your organisation? Does the name stand out from the names of other organisations in your community? On the web?
- **Relevant:** Is the name relevant to your target group and stakeholders?
- **Contextual:** Does it describes something like the location or sector?
- **Suggestive:** Suggest an idea like multi-cultural or changing the world?
- **Availability:** Is it available for use (i.e. not already taken)?
- **Evocative:** Generates a feeling or emotion like grace or hope?
- **Understandable:** Is the name easy to understand and explain. Can people easily pronounce it?
- **Positive:** It should have a positive tone. Be careful of possible unsuitable meanings in both yours and other languages and cultures.
- **Visual:** Lends itself well to both graphic and text presentation.
- **Sustainable:** Does it position your organisation for growth, change and success or does it box you in?

Remember that if you are registering as a Non-Profit Company (NPC), you will need to include this in your organisation’s name.
(See section 3.2.1 for more information on NPCs).

There are many ways to think about naming your organisation. One of the easiest ways is to brainstorm ideas – generate name ideas and pick one to 3 favourites and test them out by:

- **Getting feedback:** speak to your friends, family and people in your community – test the name and ask them for feedback.
- **Check name availability:** Start with internet searches for the name that you have chosen. Check whether other companies/ organisations exist with the same or

similar name. You can also check on the Department of Social Development’s website for NPO’s registered with the same or similar names.

It is a good idea to avoid using strange punctuation or unusual alternative spellings of words. Try to choose a name that is clear and presentable. Try to make the name easy to spell and therefore easy to remember. Ideally, one that funders would be likely to remember and recommend to their networks.

Think twice before using a person’s name in the name of your organisation. This generally only works if the organisation is being established in memory of someone – for example “Amy Biehl Foundation Trust” – or in the case of a family trust – for example: “Bill and Melinda Gates Foundation”. Naming your organisation after a founder can create difficulties, for example: what happens when the founder leaves the organisation or dies. Will that name still mean something years later?

CHOOSING YOUR BUSINESS NAME

1. What do you want the name of your art centre or classes to tell potential students, people in the community, or possible funders?
2. What makes you unique that you can include into your business name and/ or image?
3. Write down as many business names as you can brainstorm and ask other people — including family, friends, and local children — for ideas.
4. Can your name translate into a logo for your business?
5. Select the top three names you have come up with – look at each of these independently – think about if you had to see the name on another business what would you think – what image would it conjure in your mind?

3.2 FOR-PROFIT OR NOT-FOR-PROFIT

As part of the process of deciding exactly what you would like your centre to look like, what you will offer, who you will offer your services to, where you will be located, a key factor in your long-term planning is deciding the legal structure of your centre – for example: is your centre going to operate as a for-profit or a not-for profit enterprise.

If you are committed to community service, you may want to consider opening a Not-for Profit Organisation (NPO). Starting an NPO would make sense, for example, if you’re an artist who is interested in producing art

works for and with your community – as a way perhaps to promote local artistic development. As an NPO you can assist local artists who wish to bring their creative works to the broader community and beyond. These services can range from organising creative exhibitions or performances for the community, providing art classes or helping to create networking opportunities for community creatives. But before you start an NPO, there are key things you should understand:

- It is important to familiarise yourself with legal requirements for starting an NPO.
- Explore the local cultural climate and how the arts are supported by community leaders.
- Identify possible sources of resources – including funding, venues, and donations of equipment and supplies.
- Conduct research of art organisations and artists who may live or work in the community.
- Look for people to network with who support the arts and who are sympathetic to the significance of communitywide cultural awareness and involvement.
- Find the community's priorities and its interest in the arts and cultural life of the community.
- Establish networks or partnerships with local arts agencies and other relevant community stakeholders who can support your art centre.

SOME QUESTIONS TO ASK YOURSELF BEFORE ACTUALLY STARTING AN NPO ARE:

- Who will be involved in your organisation (Members)?
- What is the mission of your organisation?
- What is the feasibility of raising funds for your NPO?
- Do you have an earned income strategy?
- What will the organisational structure be?
- Do you have a business plan? Do you have a marketing plan?
- Will the staff be paid or are they volunteers?
- Should I do this by myself, or partner with another organisation?
- Will your NPO duplicate other services already offered in your area?
- Is a new organisation the only or best way to achieve your mission?
- Do you have the required leadership skills?

3.2.1 WHAT IS THE DIFFERENCE BETWEEN A NGO AND AN NPO?

What are CBO's?

Community Based Organisations (CBOs) tend to work on ABCD (Asset-Based Community Development) principles,

particularly that of Community-Driven Development (CDD). Instead of "experts" from outside the community coming into the community and deciding what the community should have or do to solve their problems, in a CBO, the community sets its own objectives and works toward those objectives with or without outside help.

These organisations are usually informal structures, but may decide to take on a legal structure and register as a voluntary association, NPC (Non-Profit Company) or trust if they want to (or are forced to do so by outside agencies), unless they decide to embark on a Social Enterprise, in which case for-profit legal structures are also available to them.

NPOs are different from CBOs in that their solutions are not always driven by the members of the community in which they operate. The organisation's governing structure determines the objectives for the organisation, usually in response to a perceived need in the community, with or without community consultation.

So what is the difference between an NPO and an NGO?

An NPO is a Non-Profit Organisation dedicated to furthering a particular social cause or advocating for a shared point of view, while an NGO (Non-Governmental Organisation) is simply a widely used term for various organisations that are not part of government, but focus on various development solutions for communities.

An NPO is therefore not set up for the profit of its members, but for the benefit of the public. NPOs include trusts, companies or voluntary associations established for a public purpose.

In South Africa, NPO and NGO are often used interchangeably, with the reasoning that all NPOs are by nature non-governmental (not of or initiated by government). Another large difference is that NGOs are more structured and institutional than many NPOs, in that they often have various programmes with projects that can span a large geographical or focus area.

THE THREE MOST COMMON TYPES OF NPO'S ARE:

1. Voluntary Associations: The voluntary association is the most common legal form of NPO in South Africa. Forming a voluntary association requires only that three or more people agree to achieve a common goal, other than making profits. The agreement may be oral or written, though it is customary for the agreement

to take the form of a written constitution (see section 3.3.4). It is the ideal legal vehicle for community-based organisations. Voluntary associations are a product of common law and are not regulated by statute. This means that they are not required to be registered with the Department of Social Services. It is important to note though that should the Association decide not to register, they may not be eligible for funding through some funders, donors or trusts.

In South Africa, the vast majority of NPOs are Voluntary Associations. *According to The Law of Partnership and Voluntary Association in South Africa by Brian Bamford (Juta, 1982), for the association to have a legal personality, it must meet three requirements:*

- Have perpetual succession
- Be able to hold property distinct from its members
- Stipulate that no member has any rights, by reason of his or her membership, to the property of the association

2. Trusts: Trusts must register with the Master of the Supreme Court under the Trust Property Control Act, but may also voluntarily register under the NPO Act. Their founding documents are called Trust Deeds.

Administration of Trusts: The administration of trusts is governed by the provisions of the Trust Property Control Act no 57/1988. There are two types of trusts:

- (a) an inter-vivos trust is created between living persons;*
- (b) a testamentary trust derives from a valid will of a deceased.*

<http://www.justice.gov.za/master/trust.html>
<http://www.justice.gov.za/master/forms.html>

3. A Non-Profit Company: An NPC is a company incorporated for one or more objectives, either a public benefit or an objective relating to cultural or social welfare, economic development, religion, charity, education or research (previously called Section 21 Companies). Earnings may not benefit individuals or stakeholders. An NPC is recognised as a legal entity separately from its members. In terms of the Companies Act 71 of 2008, an NPC is registered at Companies and Intellectual Property Commission (CIPC) with a Memorandum of Incorporation (MOI) as its founding document. The name of the NPC must end with the expression "NPC" (e.g.: Feed the Children NPC).

Where do foundations fit in?

Foundations are usually organisations that are set up by wealthy families or large corporations with their own funding and own objectives. In South Africa, there is no legal entity for a foundation, so a foundation may register as any of the legal structures listed above, and any organisation can call itself a foundation. If an organisation does call itself a foundation and does not actively raise and distribute funds, they are in fact not truly a foundation by international definitions.

3.2.2 REGISTRATION REQUIREMENTS

NPOs in South Africa are registered as either a Non-Profit Organisation (Department of Social Development), Non-Profit Company (Companies and Intellectual Property Commission) or Trust (Master of the High Court).

3.2.2.1 Registering an NPO

Registering your NPO is beneficial because the certificate will:

- improve your credibility and funding opportunities
- allow your organisation to open a bank account
- qualify your organisation to access tax benefits



To register as an NPO, you must be one of the following:

- Non-Governmental Organisation (NGO)
- Community-Based Organisation (CBO)
- Faith-Based Organisation (FBO)
- Organisations that have registered in terms of the Companies Act 71 of 2008.
- Trusts that have registered with Master of the Supreme Court under the Trust Property Control Act 57 of 1988.
- Any other Voluntary Association that is not-for-profit.

You will need to submit the completed NPO application form at your nearest Provincial Social Development office. The application forms for South Africa can be found at http://www.dsd.gov.za/services/downloads/npo_application_form.pdf

Your application forms must be submitted together with two copies of the organisation's founding documents:

- Trust – Deed of trust and letter of authorisation from the courts
- Voluntary Association – Constitution
- Non-Profit Company – CIPC registration

To register your NPO, you can submit your NPO application at your nearest Provincial Social Development office.

Alternatively, you can mail it to:

The Directorate, Non-profit organisations
Department of Social Development
Private Bag X901
Pretoria
0001

Or deliver it by hand to the:

Department of Social Development
134 Pretorius Street
HSRC Building
Pretoria.

Note: An example of a constitution (as provided by Department of Social Services) has been included in the Appendices of this handbook, also see section 3.3.4 for more information. Remember that your NPO founding documents must meet the provisions of Section 12 (A-O) of the NPO Act, 1997 (Act 71 of 1997). If they do not, your application will be rejected. The BAP team is happy to share the Butterfly Art Project constitution.

It may take approximately two months to process the entire registration. Once your application has been received, the department will send you an acknowledgement letter. A registration certificate will be issued if your application meets the requirements of the NPO Act, 1997.

Once you receive your registration certificate, you must submit your organisation's annual report nine months after its financial year-end. The annual report should include both a narrative report and a financial report.

A narrative report tells the story of the work your organisation has done. This report would list all your activities and explain the impact you have had. It must link to your financial report, which explains how the money has been spent.

Note: It is a criminal offence for an organisation to operate under the pretence of a registered NPO if they have in fact not done so. NPOs that want to apply for government funding must be registered in terms of the NPO Act.

How much does it cost?

The service is free unless you hire a lawyer or consultant to assist you.

3.2.2.2 REGISTERING A NON-PROFIT TRUST

Non-profit Trusts are established when ownership of a property or funds is transferred (by written agreement/testament or court order) to another party/group, who will administer the assets for the benefit of others or to achieve a specific goal(s).

Non-profit Trusts are registered in terms of the Trust Property Control Act and the Master of the High Court is responsible for the registration of trusts. There are 14 High Court regional offices throughout the country. Registration of the inter-vivos trust must be done at the office of the Master in whose area of jurisdiction the greatest portion of the trust assets is situated. If more than one Master has jurisdiction over the trust assets, final jurisdiction will rest with the Master of the office where the trust was first registered.

The following documents must be lodged in order to enable the Master to register an inter-vivos trust and to issue letters of authority to the nominated trustee(s):

- A completed Acceptance of Trusteeship application form for each trustee
- A completed Form J344: Bond of Security if required by the Master for each trustee
- All the requirements listed in Form JM21: Memorandum
- The original trust deed or a copy thereof, certified by a notary
- Prescribed fee – paid in cash into the Department of Justice banking account or at any Magistrate Court, stating the relevant reference number. Proof of payment must be attached to the application
- The Acceptance of Auditor form, if applicable – J405.

Links to all relevant forms can be found here: <http://www.justice.gov.za/master/forms.html#trust>

Registering under the NPO Act is voluntary. If a trust registers as an NPO under the NPO Act (in addition to registering with the Master of the Court) it will become a body corporate with an independent legal personality – refer to point 3.2.2.1 above for information on registering.

3.2.2.3 REGISTERING AN NPC

Non-Profit Companies (NPCs) (formally Section 21 companies) are companies that are set up to help people, protect the environment or to lobby for some good cause. The primary objective of an NPC is to benefit the public, not to make profit. They could include churches, charity organisations and cultural organisations, etc. The income and property may not be distributed to any

of the founders or members, directors or officers of an NPC, except as reasonable compensation for services rendered by them (ie: stipends, salaries or wages). All of the NPC's assets and income must be used to advance its stated objectives, as set out in its Memorandum of Incorporation (MOI).

A minimum of three founders must complete and sign the MOI. A minimum of three directors must be appointed.

NPC's must at all times have at least three directors (unless MOI stipulates a higher minimum number of directors). The appointment of an auditor and company secretary is not mandatory but voluntary. You can register an NPC as a:

- standard non-profit company (with members)
- standard non-profit company (without members)
- customised non-profit company (with members),
- customised non-profit company (without members).

For your organisation to be recognised as a legal entity – an NPC, you must register it with the Companies and Intellectual Property Commission (CIPC). You will find downloadable forms and a step-by-step guide on how to register on the CIPC's website.

Non-profit company without members and with a standard MOI: <http://www.cipc.co.za/index.php/register-your-business/companies/register-non-profit-company/non-profit-company-without-members-standard-moi/>

Non-profit company without members and with a customised MOI: <http://www.cipc.co.za/index.php/register-your-business/companies/register-non-profit-company/non-profit-company-without-members-customised-moi/>

Non-profit company with members: <http://www.cipc.co.za/index.php/register-your-business/companies/register-non-profit-company/non-profit-company-members/>

If you are not able to complete the forms online, any district office of the Department of Social Development/ Social Services/Social Welfare can assist you.

Once you have registered with CIPC, you can choose to register as an NPO – refer to point 3.2.2.1 above.

Accountability

The Companies Act states that NPC's are to be accountable and transparent to the public. There is therefore no purpose in registering under the NPO Act unless the organisation wants to benefit from Government benefits stipulated under the Act.

Ongoing reporting requirements

In order to be registered and then remain registered, an NPC is obliged to comply with the wide-ranging formalities and ongoing reporting requirements of the Companies Act, including the following:

- The NPC must appoint auditors and inform the CIPC of any change of auditors.
- The NPC must appoint a registered address and inform CIPC of any change of address.
- The NPC must keep up-to-date registers of members and directors in the prescribed format.
- The directors' names must appear on all letters, catalogues and circulars distributed or published.
- Directors must ensure that proper minutes and attendance registers are kept of all meetings.
- The NPC must hold an annual general meeting (AGM) in accordance with the prescribed procedures.
- The NPC must keep financial and accounting records in the prescribed format, present these at the AGM to its members and file them annually with CIPC.
- The directors' report must be presented at the AGM.

The main difference between these legal entities is in their compliance requirements.

| CRITERIA | VOLUNTARY ASSOCIATION | NPC | TRUST |
|---|-----------------------|------|-------|
| Required Members | 3+ | 3+ | 1+ |
| Department of Social Development Registration Required if operating as an NPO | Y | Y | Y |
| South African Revenue Service Registration Required | Y | Y | Y |
| Annual Report to DSD | Y | Y | Y |
| Annual Report to CIPC | N | Y | N |
| Governance Requirements | Low | High | Low |

3.2.2.4 WHAT HAPPENS IF YOUR APPLICATION IS REJECTED?

The Department of Social Services (Development) must give you a written explanation as to why your application was not successful. You will be given a month to try and address any issues that have been identified and then you can resubmit your application.

If your application is still unsuccessful you will be given a reason in writing. Your organisation has the right to appeal against this decision if you think it's unfair – this will be reviewed by the Appeal Tribunal.

3.2.2.5 APPLYING AS PUBLIC BENEFIT ORGANISATION

An NPO/ NGO may apply to SARS (The South African Revenue Service) for tax exemption as a Public Benefit Organisation (PBO), if it meets the requirements of the Income Tax Act of 1962. As is the case with NPO registration, PBO registration is also voluntary (an organisation does not need to be an NPO in order to be approved as a PBO). If you want your company to be approved as a PBO you must apply at your local SARS office.

To qualify for approval as a PBO an organisation must be incorporated or established in South Africa as:

- a non-profit company which has a memorandum of incorporation as a founding document
- a trust which has a trust deed as a founding document
- an association of persons which has a constitution as a founding document.

Once registered as a PBO, the organisation will be exempt from income tax and must comply with the requirements set out on the Income Tax Act.

For more information on registering as a PBO -
<http://www.sars.gov.za/ClientSegments/Businesses/TEO/Pages/Tax-Exemptions-and-PBOs.aspx>

Once registered as a PBO you will be able to issue a Section 18(A) certificate to funders/ donors. For more information:

<https://www.bdo.co.za/en-za/insights/2018/tax/pbos-section-18a-certificate-when-to-issue-it>

<http://www.sars.gov.za/ClientSegments/Businesses/TEO/Pages/default.aspx>

3.3 GOOD GOVERNANCE

To be successful and sustainable, you have to have your governance in order. This is critical. No donor is going to fund an organisation with poor governance. It is important to be completely prepared before you register your first student. This means ensuring that your organisation is properly set up and managed. To this end we need to understand what Good Governance includes.

Governance is the systems and processes concerned with ensuring the overall direction, effectiveness, supervision and accountability of an organisation. Good governance ensures:

- compliance with relevant laws and regulations
- that an organisation is well run and efficient
- that problems are identified early and dealt with appropriately
- the preservation of the reputation and integrity of the sector
- that NPO's make a difference and the objectives of the NPO are advanced

Good governance is all about focusing on the processes for making and implementing decisions that will continue to advance an organisation's principles and mission, and providing strategic leadership to an NPO.

3.3.1 POLICIES AND PROCEDURES

As part of any NPO's good governance practice, the development of policies and procedures is an important process. All organisations should have policies and/or procedures that govern:

- Strategic planning – including Theory of Change, organisational organogram, annual action planning, etc.
- Financial management – including management of bank accounts, recording and reporting on financial accounts, etc.
- Human resource management – including job descriptions, recruitment, disciplinary and grievance procedures, leave policies, performance management and development, termination, etc.
- Fundraising and resource management – including funding plans, fundraising proposals reporting and sourcing of donations.
- Specialist policies – these can relate to a specific fields of interest – for example: Organisations involved in training and education may be bound by specific regulations (e.g.: training and education is governed various regulatory bodies like Umaluzi, SAQA, SETA's, etc, each of whom may have legislative or regulatory

requirements that the organisation may have to adhere to), those organisations involved with children may be bound by child protection legislation or regulations related to the safety and security of minors.

Policies are the operational guidelines for an organisation. They are clear, simple statements of how your organisation intends to conduct its services, actions or business. The purpose of policies is to protect and steer the staff and the board as they fulfil the mission of the organisation. They are a reference tool for appropriate action, ethical decision making, and for dealing with potential or actual conflicts. They provide a set of guiding principles to help with decision making. Policies don't need to be long or complicated – a couple of sentences may be all you need for each policy area.

Procedures describe how each policy will be put into action in your organisation. Each procedure should outline:

- Who will do what
- What steps they need to take
- Which forms or documents to use.

Procedures might just be a few bullet points or step-by-step instructions. Sometimes they work well as forms, checklists, instructions or flowcharts.

Policies and their accompanying procedures will vary between organisations because they reflect the values, approaches and commitments of a specific organisation and its culture. But they share the same role in guiding your organisation.

You may be able to save time by looking at other organisation's policies or templates as a starting point. Be sure to check they are appropriate for your organisation and be sure to adapt them based your circumstances. You should also check that the policies you adopt are compliant with the law and your organisation's founding document.

As relates to your art centre, BAP is willing to share their policies as a way to help you in developing policies specifically related to offering art services to the community.

3.2.2 GOVERNING BOARDS

Governance is also about how your organisation is led by your governing body. This body is sometimes called a Board of Trustees, Steering Committee or Management Board. They are responsible for oversight of your

organisation – providing strategic input and monitoring the activities of the organisation, including how it spends its money. Key areas of Board governance should include:

- Securing the long term direction of the NPO (furthering its objects or purposes as set out in its governing document) – Guiding vision, policy and strategy development
- Ensuring that policies and activities achieve the organisational objects
- Ensuring the NPO is run in a way that is legal, responsible and effective
- Providing support and giving input for fundraising and sourcing other resources to keep the organisation going
- Monitoring performance and financial management
- Being accountable to those with an interest or 'stake' in the NPO.

The structure of a governing board and the procedures for its meetings are usually set out in the organisation's trust deed or constitution.

Board structures usually include: (see appendix 11.1 for more information)

- A chairperson who oversees all board affairs and chairs meetings
- A vice-chairperson to support the chairperson
- A secretary who gives notice of board meetings, prepares agendas and materials, and takes minutes of meetings
- A treasurer to keep an eye on board and organisational finance
- Subcommittees when these are needed on important issues

When identifying and recruiting members for your board, it is important to think about:

- Gender (including equal numbers at the very least)
- Diversity (focus on a cross-section of people with different experiences which can strengthen the board)
- Community representation (it is a good idea to have representation of the communities or sectors where the NPO is active)

Most people have a strong desire to "make a difference" or to "give back to the community" and while these are admirable traits, for board members there are other important qualities that are also required:

- An understanding of the role of the board and organisation's vision and mission
- Passionate about the NPO's aims and work
- Empowering and supportive
- Team commitment and team building

- Well respected (within organisation, community and/ or sector)
- Leadership and vision
- Honesty and integrity
- Accountability and transparency

When recruiting members for your board, it is important to identify the key skills needed, these can include:

- An innate understanding of the organisation's work and the issues affecting the sector it operates in – for example, in an NPO providing art services, having board members who are artists, have taught art, been involved in the arts or studied art. If the art services are offered to children, having members who understand children's needs and development processes would be of benefit.
- Board members must be committed – this includes being passionate about the work of the organisation, attending meetings and following through on agreed tasks.
- Board members must have strong communication skills not only for the leadership of the organisation, but they may, at times, be called upon to represent the organisation to external stakeholders.
- While strong administrative skills are not needed by all members – your will need to recruit members who do have these skills.
- Resource planning and management, this includes fundraising and financial planning and management.
- Organisational development including strategy and planning skills, monitoring and evaluating – specifically for performance against action plans and financial management – and team development (Human resources management).
- Taking financial responsibility is one of the key legal responsibility of the Board – its primary fiduciary duty – and there can be horrible implications for Board members as individuals (depending on the type of legal structure of your organisation) if there is any mismanagement of funds. This is a requirement when registering as an NPO or trust. Making sure there are formal accounting practices in place; that audited financial statements are audited annually and signed off by the Board at the end of every financial year (and submitted to the NPO Directorate); that the money is being used in line with the organisation's mission and in line with standing legal restrictions on the uses of NPO funds.
- Marketing and public relations.
- Business functions and operations.
- Information technology.

(More information can be found at <https://www.cabsa.org.za/book/export/html/1190>)

You might not be able to find all of these skills in your community. The most important thing is for your board members to be passionate about your organisation, to attend board meetings and to take responsibility for oversight, especially the spending of funds.



The Independent Code of Governance for NPO's in South Africa is an excellent guide to understanding the requirements of Good Governance. As a values- and principles-based Code, it is easy reading, covering the following essential topics:

- Ensuring adherence to eight basic values
- Ensuring leadership in six key areas
- Ensuring good implementation in five key legal and fiscal areas

Reading this Code is essential for anyone involved in an NPO or NPO governance. It can be found at:

<http://www.governance.org.za/>

<http://www.ngopulse.org/sites/default/files/npo-code-web-version.pdf>

This Code of Good Governance outlines the key principles, values and practices of good governance in non-profits – and shines a spotlight on the key responsibilities of any NPO board member. This Code provides a "sign-on sheet" which facilitates the Board of an NPO to declare that it has adopted the Code to guide its governance practices. This Code has no legal standing and is an in-principle commitment which is self-regulated, providing an excellent guide for monitoring one's organisational governance. More information can be found at www.governance.org.za

A point to note is that if your Board signs on and commits to the principals of the Code, you also get to display the Independent Code logo on your organisational platforms and marketing materials.

3.3.3 CONFLICT OF INTEREST

A major principle and value of NPO governance is the avoidance of 'conflicts of interest'. Such conflicts arise when a person in a position of trust and authority makes a decision or enters into an agreement from which they themselves, or friends, relatives or associates, stand to benefit above the interests of the organisation and/ or its stakeholders.

A conflict of interest is a situation in which a person or organisation is involved in multiple interests, financial or otherwise, and serving one interest could involve working against another. (Wikipedia)

Some potential “conflicts of interest” you should be aware of:

- When full-time staff members ‘moonlight’ – do other paid work on the side either during work time or after hours. If a staff member is employed part-time, they can do other work, as long as it doesn’t interfere with organisational time or work or take away include or opportunities from the organisation.
- When a board member sits on the board of another NPO providing similar services and competing for clients with your NPO. It may also be a conflict of interest if your NPO and the other organisation are asking the same donors for funds.
- Allowing one person to have sole access to organisational funds/ bank account can create a conflict of interest or open the organisation up to the possibility of mismanagement of funds.
- When the CEO/Director, programme manager or member of the board has a personal relationship with another member of staff – this can lead to compromising situations such as favouritism or at least feelings that someone could get special treatment.
- When a person in a position of authority is part of a decision to employ a spouse or family member for a position in the NPO or on the board (Nepotism). If the organisation’s policies and procedures specifically allow for the hiring of spouses or family members, this person should rather be excused from the discussion.
- As a board member, the CEO/Director should withdraw from discussions on his/her own performance or conduct except where actual assessment takes place or direct feedback is given.

By having a formal Conflict Of Interest Policy that is understood by all, it is possible to avoid these conflict situations – or at the very least outline contingency procedures in the event of a situation arising. Conflict of interest policies are most effective if the NPO requires all staff and Board members to review and execute a new Conflict Of Interest Policy on a regular basis.

The Conflict Of Interest Policy should provide a concrete definition of what conduct creates a conflict of interest, thus enabling the Board, management and staff to identify potential conflict situations. The policy should require the conflicted people in authority and trust to fully disclose all facts regarding the conflict to the board. Finally, the policy should provide a procedures for managing or minimizing the conflict situation.

3.3.4 WRITING YOUR CONSTITUTION

The Constitution of an NPO provides a guideline for how the organisation will operate. It is the key founding document of an NPO, a record of agreements on the basic principles of the organisation and is legally binding on all members.

The legal word for Constitutions is “founding document”. In South Africa different types of organisations need to have different types of constitutions or founding documents.

Your Constitution should address all aspects of the organisation, including its purpose, functions, persons in charge and members. It will also specify how the constitution will come into force, and detail how the organisation can change the Constitution if necessary. Constitutions are not like plans and should only be changed if members feel the need to make new agreements about the basic principles of the organisation, or the environment within which it operates. Any changes should be publicised to members and the public (if relevant) and if you have registered your NPO, you will have to inform the bodies with whom you registered.

Before your Constitution can be adopted, it must be agreed to, and signed off, by your Board. The same applies to any changes made to your Constitution.

Your Constitution records all the agreements that will be important for the whole life of your organisation. Constitutions play a key role at different times in the organisation’s life:

- When you start your NPO, the process of developing a Constitution helps members to develop clear agreements about the purpose of the organisation and how it will work.
- Once you have developed your Constitution, you can use it to register your NPO. Registration gives your NPO rights, duties and privileges in relation to accountability, fundraising and other legal requirements. It also helps make sure everyone understands the responsibilities and obligations that go with being an NPO.
- When your NPO is up and running, the Constitution is used by people inside and outside the organisation who want to understand the organisation’s purpose, how it is governed and their responsibilities and rights.
- When there is tension or conflict in the NPO, the Constitution guides members about how it should be dealt with in relation to key matters like accountability and finances. It also helps ensure solutions are appropriate to the purpose of your NPO.

- When an organisation is going to close, for whatever reason, the constitution will explain how this should be done and what should happen to the resources of the organisation.

You will need to write your Constitution before you register your NPO. Appendix 11.2 includes a copy of a model Constitution from the Department of Social Services. This can be used as a blue print for development of your Constitution.

3.4 SETTING UP A BANK ACCOUNT

Before you begin the process of opening a bank account it is important to research:

- Which bank you would like to bank with. Fees and services will differ slightly from bank to bank, so it is important to investigate which bank can offer you the best options.
- What type of account you would like to open. Banks offer numerous types of accounts, each with their own benefits, so you need to decide on a bank and the type of account that best suits your organisation and its needs.
- Ensure that you have all the required documents. Make sure that you also check whether the copies of documents you need to provide must be originals or certified copies.
- Who will be signatories on the account – refer to your constitution or founding documents for this information, as well as the guidelines for the type of organisation you have registered as.

Banks offer different types of accounts, some are more suited for individuals, others for companies or organisations. Each types of account offer unique services, charges and benefits; do your research and see which one best suits your needs. Here are some types of accounts that you may be interested in for your organisation:

- **Transaction Account (sometimes called Cheque or Current Account)** – This type of account usually requires a minimum qualifying deposit. Deposits, withdrawals, debits and transfers are standard services, and there may be various benefits available for this account depending on the institution. The interest rates are usually low (aligned to the rate set by the Reserve Bank) and there is a nominal monthly admin fee for the account. Most transactional accounts allow you to make debit or cheque card payments and purchases and offer internet or cell phone banking options.

- **Credit Card** – A credit account can help you expand your financial resources, cover emergency purchases or reduce the need to people to carry cash. Pitfalls to having a credit card however include the high interest and possible administration costs. In addition it is never a good idea to create debt for your NPO, especially when funding is in doubt.

- **Savings Account** – Is a deposit account that can help you save at an affordable interest rate. Some banks allow saving accounts to be used as transactional accounts. There are various types of savings accounts so take some time to check which one (usually based on a specific bank and the packages they have developed) will suit your needs.

- **Money Market Account** – This investment account offers you competitively high market-related interest rates. It is similar to a savings account, but you need to maintain a higher balance and a higher minimum deposit is usually required. This type of account is usually only beneficial if you have large funding reserves or receive large tranche payments that are not going to be used immediately. A flexible, shortterm investment account benefits vary according to each bank, so research them thoroughly before signing up for an investment account.

NPO

Voluntary Associations are not be able to open a bank account unless they are registered in terms of the NPO Act, which means that while they wait on their NPO certificate, they will not be able to receive funds into its own bank account. The Financial Intelligence Centre Act (FICA) has made NPO registration a condition for financial institutions to open a banking account in the name of these organisations. In addition it cannot apply for approval as a PBO because banking details are required on the EI 1 application form. Documents that may be required to open a bank account:

- Constitution (or other founding document(s))
- Identification documents of signatories and persons who act on behalf of the NPO**
- Proof of physical address (can use constitution or founding document(s))
- The last 3 months bank statements of organisation (if already operating a bank account)

TRUSTS

A trust is only able to open a bank account after it has been registered with the Master of the Courts and becomes a recognised legal entity. It may open a bank account before registration as an NPO. Documents that may be required to open a bank account:

- Trust Deed (or other founding document(s))
- Letter of authority
- Identification documents of trustees, signatories and persons who act on behalf of a trust**
- Proof of address of the Master's Office where the trust is registered

NPC

An NPC is recognised as a legal entity as soon as it is registered with CIPC. With these registration documents an NPC is able to open a bank account according to their policies and procedures and their MOI. Documents that may be required to open a bank account:

- MOI (or other founding document(s))
- CIPC registration certificate*
- Identification documents of signatories and persons who act on behalf of the NPO**
- Proof of physical address (can use MOI, CIPC certificate or other founding document(s))
- The last 3 months bank statements of organisation (if already operating a bank account)

Please note:

** If your company is not in possession of a CIPC certificate, banks will require all your registration documentation in its place.*

*** For persons acting on behalf of any business entity, written confirmation that the person has authority to act on behalf of the entity must be furnished. This will usually take the form of any one of the following: a Power of Attorney, a written mandate, a court order, letters of authority, or a resolution duly executed by the authorised signatories to the account.*

Opening a bank account is normally relatively simple process as long as you all the have required documents to prove that your organisation has been registered – whether as a Voluntary NPO, a Trust or an NPC.

In terms of good governance, it is important that no ONE person in the organisation has full control over the organisation's bank account(s). As part of your financial policies you should clearly explain who is allowed what level of access to the organisation's bank account(s).

Ideally the organisation's leader (director/ CEO/ organisation manager) should have signing power together with the:

- **Treasurer:** should have the final power to release funds preloaded for EFT payments.
- **Bookkeeper/ accountant:** has the authority to load EFT payments against approved invoices/ claims.

You bank should be able to assist in setting up the appropriate safeguards for managing income and payments against your account(s).