



Province of the
EASTERN CAPE
SOCIAL DEVELOPMENT

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STANDARD OPERATING PROCEDURE: NPO REGISTRATION MANAGEMENT PROCESS

Approval Date	7 December 2016
Commencement Date	7 December 2016
Review Date	(1 year after Approval date)
Periodical Review	Annual
Resources	Internal staff, Budget
Intent of SOP	To document the standard operating procedure (SOP) for the NPO Transfer Management Process. This document aims to assist the officials of the Department of Social Development with the day to day activities of NPO Management including registration, transfer of funds, capacity building and monitoring and evaluation. This document can be used for training of newly appointed NPO personnel.
Scope	This document applies to all Departmental officials rendering services for NPO's.
Objective(s)	<p>The objectives of the NPO Management process are:</p> <ul style="list-style-type: none">• Establish the funding relationship between the Department and service providers that render developmental social services.

	<ul style="list-style-type: none"> • Determine the requirements and mechanisms for registration and making financial awards to service providers rendering developmental social services. • Develop the capacity of emerging and previously disadvantaged organisations that do not have the resources but understand and could meet the needs of the communities. • Provide a basis for the redistribution of resources in a more equitable manner. • Provide a basis for monitoring services rendered, utilization of funds by the NPOs, as well as compliance and impact assessment.
Definitions	<p>NPO - Not for profit organizations.</p> <p>SAW – Social Auxiliary Workers</p> <p>SW - Social Workers</p> <p>DSD – Department of Social Development</p> <p>ACDP- Assistant Community Development Practitioners</p> <p>CDP- Community Development Practitioners</p> <p>NPSO</p> <p>NGO</p> <p>CBO</p> <p>Indicative budget</p>
Key Performance Indicator	<p>To establish and capacitate existing community based organisations towards improved organisational service</p> <ul style="list-style-type: none"> • Number of NPOs capacitated according to the capacity building framework • Number of NPO assisted with registration

	<ul style="list-style-type: none"> • Number of initiatives benefited from Social Service Partnerships/Relationships • Number of Social Service Practitioners Capacitated • Number of Community Development structures/NPO forums supported
<p>Principles</p>	<p>The following principles underpin the policy on the funding of social development service providers:</p> <p>Accessibility - Accessibility in terms of physical and geographical conditions, time, language and need.</p> <p>Accountability - Compliance with all legislative, policy and financial regulations.</p> <p>Affordability - No one must be excluded on the basis of inability to pay for the service and where fees are charged, a means test should be applied.</p> <p>Appropriateness - Responsiveness to social, economic, cultural and indigenous and political conditions.</p> <p>Efficiency and effectiveness - Achievement of objectives in a most cost-effective manner.</p> <p>Empowerment - To enhance the capacity of emerging organisations to develop so that they can meet the standards set out in this policy.</p> <p>Equity - Redistribution of resources based on need, priorities and historical discrepancies.</p> <p>Participation - Active involvement of management, clients, staff, stakeholders and community representatives in organisational programme and policy design.</p> <p>Partnership - A collective responsibility of government, civil society and the business sector to deliver services.</p> <p>Social integration - Policies and programmes that promote social justice.</p> <p>Transparency - Access to information, openness of administrative and management procedures.</p>
<p>Compliance Measures</p>	<ul style="list-style-type: none"> • Registration - Alignment with the NPO Act No. 71 of 1997 • Funding - Alignment with Service Specification and Programme Policies • Capacity Building – Alignment with the Capacity Building Framework • National Skills Development Strategy III

Diagram/Business Process Mapping

**STEP BY STEP GUIDE
NPO REGISTRATION**

Nr	Task Name	Task Procedure	Responsibility	Supporting Documentation	Service Standard
1	Facilitate NPO Registration	<p align="center">Enquire regarding NPO Registration</p> <ul style="list-style-type: none"> Organisations approach DSD offices to register their initiatives. NPO enquiry regarding the registration process 	Community members SAW/CDP/SW/ACDP	<ul style="list-style-type: none"> Intake register 	
2		<p align="center">Explain the process and print relevant documents to the applicant</p> <ul style="list-style-type: none"> An official explain to them the process and print the relevant documents (Application forms and model constitution). 	SAW/SW/ACDP/CDP	<ul style="list-style-type: none"> Submission Register Model Constitution NPO Registration Form 	
3		<p align="center">Submit the applications</p> <ul style="list-style-type: none"> The applicant returns the application documents to the Service Delivery Center 	Applicant	<ul style="list-style-type: none"> Acknowledgement letter NPO Constitution ID Copies for Board Members Completed NPO Registration form 	
4		<p align="center">Process Application</p> <ul style="list-style-type: none"> The officials assess the correctness of the documents and capture them in the National Online System. The system generates a reference number for the organisation. 	SAW/SW/ACDP/CDP National NPO directorate National NPO directorate Provincial DSD and districts	<ul style="list-style-type: none"> Acknowledgement letter List of approved certificates Issuing register NPO database 	2 calendar months

**STEP BY STEP GUIDE
NPO REGISTRATION**

Nr	Task Name	Task Procedure	Responsibility	Supporting Documentation	Service Standard
5		<p align="center">Print and send Certificate</p> <ul style="list-style-type: none"> The National DSD office prints the certificate after assessing if the organisation meets the requirements. The certificate is then sent to the Provincial DSD office for distribution to the relevant organisation. 	Provincial DSD and districts	<ul style="list-style-type: none"> Proof of submission 	
6		<p align="center">Compile and maintain a database of registered NPO's.</p>	Provincial DSD and districts	<ul style="list-style-type: none"> Compiled Database 	
7	NPO Roadshows	<p align="center">Conduct NPO Roadshows</p> <ul style="list-style-type: none"> Liaise with National DSD and Districts in preparation for Roadshows Contact relevant stakeholders for Roadshows Departmental Officials mobilize communities for attendance in the NPO Road-shows that are conducted by the Provincial DSD and National DSD Arrange the necessary logistics for the Roadshow Conduct roadshow Compile a report. 	Provincial DSD , National DSD & Districts Districts. Districts Provincial DSD, National DSD & Districts Provincial DSD	<ul style="list-style-type: none"> Memorandum Memorandum Memorandum Memorandum Roadshow Reports 	1 week 1 week 2 weeks 1 week 1 week 1 week
8	Compliance to the NPO Act.	<p align="center">Identify and train Social Service Practitioners to assist with NPO compliance</p> <ul style="list-style-type: none"> DSD offices identify officials to assist in ensuring that NPO's comply. 	Provincial DSD Service Office and District Offices. Provincial DSD	<ul style="list-style-type: none"> Memorandum Training Report Training Report & Attendance registers 	Ongoing

**STEP BY STEP GUIDE
NPO REGISTRATION**

Nr	Task Name	Task Procedure	Responsibility	Supporting Documentation	Service Standard
		<ul style="list-style-type: none"> Setting up of help desks in different service points for information dissemination to NPO's. Submission of reports by NPO's for capturing on the system. Inform NPO's of non-compliance Capturing of reports on the system. 	Service Office and District Offices.	<ul style="list-style-type: none"> Compliance Report 	
9		<p>Conduct Compliance workshop for registered NPOs</p> <ul style="list-style-type: none"> Conduct Training of these officials on NPO Act 71 of 1997 and compliance requirements. 	Provincial DSD Service Office and District Offices.	<ul style="list-style-type: none"> Training Report & Attendance registers Compliance Report 	Ongoing
10		<p>Conduct Compliance Reports</p> <ul style="list-style-type: none"> Coordination of compliance workshops for all registered NPO's. Submission of reports by NPO's for capturing on the system. 	Provincial DSD Service Office and District Offices.	<ul style="list-style-type: none"> Submitted Compliance Report 	Ongoing
11		<p>Receive And Verify NPO compliance reports</p> <ul style="list-style-type: none"> Receive and verify NPO compliance reports 	National DSD Provincial DSD Districts	<ul style="list-style-type: none"> Verified Compliance reports 	Ongoing
12		<p>Capture reports on the system</p> <ul style="list-style-type: none"> If in compliance, capture the reports on the system 		<ul style="list-style-type: none"> Captured reports 	Ongoing

**STEP BY STEP GUIDE
NPO REGISTRATION**

Nr	Task Name	Task Procedure	Responsibility	Supporting Documentation	Service Standard
13		<p align="center">Send Notification of non-compliance to the NPO</p> <ul style="list-style-type: none"> If not in compliance, Send Notification of non-compliance to the NPO 		<ul style="list-style-type: none"> Proof of submission 	Ongoing
14		<p align="center">Deregister NPO</p>		<ul style="list-style-type: none"> Proof of deregistration 	Ongoing
15		<p align="center">Receive appeal for re-registration</p> <ul style="list-style-type: none"> Receive Appeal for re-registration If status is retained, capture the reports on the system 		<ul style="list-style-type: none"> Received appeal 	Ongoing



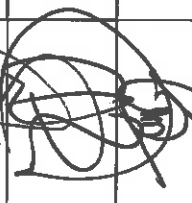

PROCESS RISKS

Process Name	Risk Description	Probability (H/M/L)	Impact (H/M/L)	Control Description	System / Manual
NPO Management	Non-availability of resources for the NPO unit and no clear reporting lines in terms of budget and performance. This leads to inefficiencies in performing the NPO function.	H	H	Accounting officer to fast track the establishment and resourcing of NPO Management Unit. Reviewal of the current organogram in line with the roles and responsibilities as outlined in the NPO Management Business Process.	Manual
Capacity Building	Pre-implementation workshop – trainers need to be capacitated	L	L	Programmes to take responsibility of the pre-implementation workshops and training guidelines.	Manual
Funding	Pre-mature introduction of the quarterly payment process. Non alignment between the payment (Quarterly) and the SLA (1 month)	H	H	Process: Correct implementation of the new process including approval, communication, change management and training. System: Make the necessary enhancement in the system to accommodate the new process.	Manual System
Funding	NPO Data Integrity – not all paid organisations are reflected on the Expenditure report	M	M	Request the systems development team to investigate and ensure that the payment reflects in the report	System
Funding	Transfer of funds to non-compliant organisations. This leads to irregular expenditure and audit findings	H	H	An interface between the MIS and Online Registration system needs to be developed to facilitate validation of organisations and avoid payment of non-compliant organisations.	Manual
Monitoring and Evaluation	Non-existence of NPO monitoring and evaluation component as per approved DSD M&E Framework. As a result there are no monitoring and evaluation tools and no dedicated resources.	H	H	Approval of the Monitoring and Evaluation Draft Policy by the HOD Change monitoring period from monthly to quarterly.	Manual

LEGISLATION, POLICIES, PROCEDURES, LEGISLATION & OTHER DOCUMENTATION (I.e. SOPs)

Document Name	SECTION	Effective Date (if applicable)
Constitution of South Africa	Section 27	
PFMA	Section 38 1 (j)	Act No. 1 of 1999
NPO Act	Chapter 2 Section 3	Act No. 71 of 1997
Policy on Financial Awards to Service Providers (PFA)		2011
NPO National Financing Guideline		2011
National Skills Development Strategy III		

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Distribution and Use of SOP	District Managers, Corporate Service Managers, Service Managers, Area Managers, Assistant Managers		

