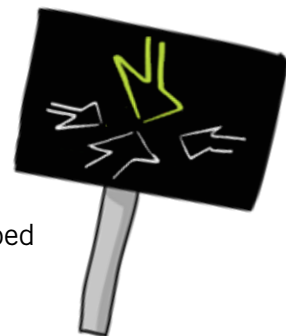


How does the SFP impact NPOs?

In 2023 the national Department of Social Development (DSD) approved a new Sector Funding Policy (SFP) for public comment. This new policy impacts how the DSD funds services provided by partners in the non-profit organisation (NPO) sector. It provides guidance on what services will be funded and how much will be allocated for specific services. It is important for NPOs to know and understand what the policy means for them, and how they can constructively engage with national and provincial DSDs to ensure that key services to prevent and respond to violence are supported in the future. The SFP has 10 chapters and 4 Annexures. This factsheet is one of five factsheets that the Violence Prevention Forum (VPF) has developed to help NGOs and other stakeholders understand the policy.



Why is the SFP important for NPOs?

- It allows for better alignment of services between provinces – where NPOs operate in more than one province, the service names and standards across the provinces will be the same.
- NPOs will know what is expected of them and government will know what to expect from non-profit organisations (NPOs).
- A shared understanding of the priority services in each province.
- A better understanding of the funding requirements of providing the services for both the NPOs and the government.
- The reasonable core costs and minimum funding standards must be regularly updated to keep up with cost increases.

ACTION AREA



NPOs should work together with their respective provincial DSDs to develop a priority list of services for the province, develop and agree on the norms and standards for services, and advocate for minimum funding standards to be set for these services.

Management of DSD transfers

The SFP requires that when managing transfers, the national and provincial DSDs must ensure that their decision-making and administrative processes are transparent, fair and timely. Practically, this means that each department must:

- Act within the framework of the Promotion of Administrative Justice Act 3 of 2000
- Clearly indicate (through service specifications) which services it intends to fund through transfers, and the purpose or objective of the transfers.
- Publicise a clear description of the funding processes so that NPOs and other entities know what is expected and the timelines involved.



CALL OUT

On or before 15 April each year, the national and provincial DSDs must publish funding timelines on their departmental website and other appropriate locations detailing when certain events will occur.



- Set out eligibility criteria for entities to partner with the departments.
- Set out criteria for evaluating applications.
- Ensure that transfer payment agreements (TPAs) are concluded and transfers are paid in a timely manner.

The national DSD, working with provincial DSDs and other sector role-players, will develop separate funding application forms and TPA templates for early childhood development (ECD) centres, residential facilities and programme-based services, and other community development services as required.

- Set out in the TPAs how and what is required, to ensure that the transfer is used for its intended purpose.
- Inform entities in writing of any remedial actions that must be taken, and set out the timeframe within which they must be carried out.
- Establish an appropriate process to adjudicate appeals in the case of disputes between entities and the department.



The SFP Guideline must set a risk-differentiated approach to monitoring TPAs that is fit for purpose and reduces the monitoring burden placed on departments, and the entities receiving transfers. National and provincial DSDs are required to use this approach to evaluate the risk of all TPAs annually and plan their in-year monitoring of the management and use of transfers.



Monitoring and publication of the SFP

National DSD must put in place appropriate mechanisms to monitor compliance with the SFP by its NPO funding unit and by the provincial DSDs. These monitoring mechanisms must include at least the following:

- An annual analysis of the level at which provincial governments fund their provincial DSDs and how provincial DSDs allocate their budgets, reflecting comparative provincial information as set out in the SFP Guideline.
- An annual analysis of provincial DSD compliance with the minimum funding standards set out in SFP Annexure 4, reflecting comparative provincial information as set out in the SFP Guideline.
- A five-yearly review of compliance with the SFP, with recommendations as to how it might be revised and how each province might strengthen its implementation.

The national and provincial DSDs are required to publish the following information:

- Copies of all the TPAs with partner NPOs and other entities: A complete database of all TPAs signed with NPOs and other entities on their respective departmental websites. The database must be open to the public.
- Summary information on transfers.
- End-year reconciliation report of all transfer payments.

