

**SOUTH AFRICAN MEDICAL
ASSOCIATION TRADE UNION**



SPONSORSHIP AND DONATION POLICY

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1. INTRODUCTION

The guidelines described in this document provide a framework for THE South African Medical Association Trade Union ("SAMATU") to engage in sponsorship and donorship activities while ensuring that SAMATU's integrity and corporate image are not negatively impacted. This Policy is only concerned with sponsorship and/or donations on behalf of SAMATU and not sponsorship and/or donations by individual employees of SAMATU in their personal capacity.

The risks associated with sponsorships and donorship cannot be taken lightly. Major risks include, but not limited to, perceptions of improper behaviour, the potential to embarrass and/or bring the organisation into disrepute through association with an inappropriate sponsor or donor, sponsorship or donorship commitments not honoured, inappropriate financial management and inadequate value obtained with respect to benefits provided or agreed to by the two parties.

Cash payments are prohibited, including cash donations or sponsorships for employees and/ or members in sporting events, sports clubs, school or other activities, unless these form part of approved corporate social investment activities.

This policy should not derogate from the following considerations:

- 1.1 Relationships with sponsors or donors should be considered as opportunities to build alliances, partnerships and support for the organisation for the long term;
- 1.2 The criteria for review of current and/or potential sponsors/donors should be reasonable and realistic;
- 1.3 The review and oversight process should not be overly cumbersome; and
- 1.4 Over time, the review process will build a body of knowledge for accepting and soliciting funding, donations and sponsorships.

2. SCOPE, OBJECTIVES AND APPLICABILITY

This Policy applies to all employees and/or members at all branches of the organisation, divisions and business units. This Policy applies to all funding, donations and sponsorships received by SAMATU, solicited or unsolicited, and awarded to an individual/entity by SAMATU. This Policy applies to SAMATU and its sub-groups, and as well to all member associations or organizations which carry out SAMATU-sponsored events or activities, wherein SAMATU's name, logo or any other identification is used, or wherein there is a contractual arrangement between SAMATU and another association or organization to carry out an activity or event on behalf of either entity.

The objective of this Policy is to set out the minimum expected standards that must be applied, and it is not exhaustive. Additional requirements may be added by specific branches according to their specific business needs.

This Policy is related to and must be read in conjunction with several other organisation policies as well the organisation's Code of Conduct. In the event of a contradiction between this policy and another organisation policy, this Policy must be taken as authoritative.

If there is any uncertainty about requirements, then nominated legal counsel must be consulted.

3. DEFINITIONS

For the purposes of this Policy, the following definitions will be used:

- 3.1 **Beneficiary:** Any individual, company or trust that is a recipient of a contribution or gift without being charged.
- 3.2 **Donation:** A philanthropic contribution or gift; donating assets of the organisation to a person or institution; making donations in kind, e.g. rendering some form of assistance to a person or institution at SAMATU's cost, i.e. without charging the beneficiary of the assistance.

3.3 **Donor:** Any individual, company or trust that gives money or gifts or something of value without charging the beneficiary.

3.4 **Member:** Any individual registered at SAMATU.

3.5 **Sponsor:** Any individual, company or trust that pays for or contributes towards the costs involved in staging an event in return for advertising.

3.6 **Sponsorship:** A business arrangement whereby the SAMATU commits resources (monies and/or in kind) to support a specific project, event or activity, but does not share in the profits or underlying risks of the project. The entity contributes funds to an event, activity or even a capital project and receives a benefit (e.g., specific image and marketing opportunities) from the associated publicity. Sponsorship does not include paid advertising in SAMATU's publications, or on its website.

4. GENERAL

The following general terms shape the acceptance of donations and sponsorships:

4.1 SAMATU will solicit and accept support only for projects, events and activities that are consistent with the organisation's mission;

4.2 Such arrangements must enhance, and shall not impede, SAMATU's independence and ability to act in the best interest of its members and the public at all times;

4.3 SAMATU's name, logo and other intangible intellectual assets must be protected at all times.

5. PRINCIPLES

General sponsorship and/or donations encompasses a wide range of activities including funding and in-kind support.

Offering/Providing Sponsorships And/Or Donations

5.1 When offering or providing sponsorship and/or donation:

- 5.1.1 Offering or giving sponsorship and/or donation, SAMATU may only sponsor activities if they can be shown to be compatible with and promote the legitimate best interests of the organisation. The arrangements for sponsorship and/or donation must be transparent and must not conflict with other organisation initiatives, values or business interests.
- 5.1.2 Surrounding circumstances may be important in determining whether a particular sponsorship and/or donation complies with this Policy. Care should be taken to avoid circumstances that may create the perception that SAMATU's intentions are not fair, honest and transparent.
- 5.1.3 Prior to any or proposed sponsorship or donation being given, a due diligence must be completed and approved by the office of the Secretary General. Such due diligence checks are directed at confirming the good standing of the organisation and ensure there is no risk of bribery or corruption in its activities further comply with clause 5.2 hereof. The Secretary General may delegate this authority, but such delegated authority must be specified, in writing.
- 5.1.4 A written record of all sponsorships and/or donations should be maintained at National Office and be available for audit. Sponsorship and/or donation to any single organisation or individual with a value greater than or equal to (R50 000.00) Fifty Thousand Rands on a cumulative basis, must be pre-approved by the National Finance Committee.

5.2 Sponsorship and/or donation made by SAMATU may only be made if the FINCOM is satisfied that the recipient organisation or individual:-

5.2.1 implements effective, efficient and transparent financial management and internal control systems to guard against fraud, theft and financial mismanagement;

5.2.2 has the capacity and agrees in writing: –

5.2.2.1 to comply with all policies and/or terms and conditions affiliated with the sponsorship and/or donation by SAMATU;

5.2.2.2 for the period of the agreement to comply with all reporting, financial management and auditing requirements as may be stipulated in the agreement;

5.2.2.3 to report at least monthly, should it be expressly required, to the Secretary General on actual expenditure against such transfer; and

5.2.2.4 to submit its audited financial statements for its financial year promptly to the Secretary General unless:–

- (i) the sponsorship and/or donation is made to an organisation serving the poor;
- (ii) the amount of the sponsorship and/or donation does not exceed an amount referred to herein at clause 5.1.4; and
- (iii) the Secretary General takes all reasonable steps to ensure that the targeted beneficiaries receive the benefit of the sponsorship and/or donation.

Prohibited Sponsorship And/Or Donations

5.3 Prohibited types of sponsorship and/or donations SAMATU will not offer or provide are as follows:

- 5.3.1 any sponsorships or donations contrary to this Policy and any relevant legislation;
- 5.3.2 to a commercial undertaking or corporate entity, except as a contribution towards a fund-raising initiative by such entity for the benefit of the poor;
- 5.3.3 if incurring the expense concerned shall result in irregular, unauthorised or fruitless and wasteful expenditure;
- 5.3.4 political sponsorships and/or donations, in the Republic of South Africa or elsewhere, including to any political party, to the campaign of any candidate for elected office or in support of any elected official;
- 5.3.5 sponsorship and/or donations to or from organisations that discriminate on the basis of race, ethnicity, nationality, religion, gender, sexual orientation, age or disability;
- 5.3.6 with organisations or individuals whose projects are likely to adversely affect the content or interpretation of SAMATU's programmes or services or raise a conflict of interest;
- 5.3.7 sponsorship and/or donation arrangements with organisations or individuals which may use the funds to sponsor or donate to a third party; and
- 5.3.8 sponsorship and/or donation of any activities which could reasonably be seen to create a potential reputational risk for SAMATU.

Termination of sponsorship and/or donation

5.4 Should the General Secretary have a reasonable apprehension that: -

- 5.4.1 the intended beneficiaries of the sponsorship and/or donation did not receive the agreed benefit of the sponsorship and/or donations concerned; and/or
- 5.4.2 the beneficiaries and/or sponsor(s) and/or donor(s) are in contravention of any or all the terms and conditions of the sponsorship and/or donation agreement; and/or
- 5.4.3 the beneficiaries and/or sponsor(s) and/or donor(s) have been criminally charged with or found guilty of fraud, theft or financial mismanagement, the General Secretary:-

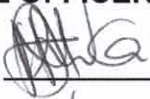
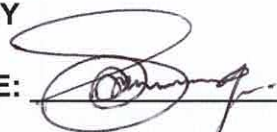
- 5.4.3.1 shall require the accounting officer of the beneficiary and/or sponsors and/or donors to report in writing regarding the utilisation of the sponsorship and/or donation;
- 5.4.3.2 may stop further payments from the allocation, if any, until the matter is resolved; and
- 5.4.3.3 submit the report contemplated in sub-clause 5.4.3.1, together with her/his report and recommendation, to the National Finance Committee.

5.5 Insofar as it is relevant to SAMATU as a recipient of a sponsorship and/or donation, clause 5.4 of this Policy must be read with in conjunction with the Finance Management Policy, Asset Management Policy and any other relevant policies of SAMATU.

6. BUDGET ALLOCATION

6.1 NEC shall, together with the approval of the annual budget:

- 6.1.1 approve a schedule setting out the organisations and/or individual to which sponsorships and/or donations shall be made during the budget year and the amounts that each of them would receive; and
- 6.1.2 appropriate funds under an appropriate budget vote for the granting of discretionary sponsorships and/or donations during the budget year.

CONTROLLED BY: COMPLIANCE OFFICER SIGNATURE:  DATE: <u>2024/01/25</u>	APPROVED BY: GENERAL SECRETARY SIGNATURE:  DATE: <u>19-02-2024</u>
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DOCUMENT CONTROL SHEET			
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