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**POLICY TITLE : TRANSFER PAYMENT MANAGEMENT POLICY**

**POLICY NO : 13/2017 (3<sup>RD</sup> VERSION)**

**APPROVAL DATE : 02 DECEMBER 2025**

**REVIEW DATE : NOVEMBER 2028**

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## **1. DEFINITIONS OF CONCEPTS**

**Accounting Officer:** Head of Department of Arts, Culture Sports and Recreation

**Executive Authority:** Member of the Executive Council

**Financial Year:** Means a year ending 31 March

**Transfer Payments:** Payments made by the Department to Entities, Municipalities and Institutions outside the Department that render services to or on behalf of the department which includes subsidy payments and grants.

**Conditional Grant/Grants:** Funds paid to entities, municipalities for a specific purpose.

## **2. PREAMBLE**

2.1 Section 38(1)(j) of the PFMA requires before transferring any funds (other than grants in terms of the Annual Division of Revenue Act or to a constitutional institution) to an entity within or outside government, must obtain a written assurance from the entity that that entity implements effective, efficient and transparent financial management and internal control systems or, if such written assurance is not or cannot be given, render the transfer of the funds subject to conditions and remedial measures requiring the entity to establish financial management and internal controls,

2.2 The Policy for the Transfer Payment is formulated to outline the prescribed procedures that will be followed in line with relevant legislative frameworks to effect and monitor transfer payments.

2.3 Treasury regulation 21.1.1 The accounting officer may approve gifts, donation, and sponsorship of state money and other moveable property in the interest of the state. When such cash amounts exceed R100 000 per case, the approval of the relevant legislature must be sought by including the item separately in the appropriation bill.

## **3. SCOPE OF APPLICATION**

The policy applies to all Departmental employees of Arts, Culture, Sports and Recreation and trading entities.

## **4. POLICY STATEMENT**

The Department of Arts, Culture, Sports and Recreation recognise both National and Departmental mandate in relation to the management of Transfer Payment.

## **5. POLICY OBJECTIVE**

The objective of this policy is to outline the departmental guidelines regarding the following: -

- a) Annual allocations
- b) Roll-overs
- c) Payments
- d) General conditions
- e) Prescribed reporting responsibilities of transfer payments within the department.

## **6. POLICY FRAMEWORK**

The policy is derived from the following legislative frameworks and regulations that regulate the public service:

Constitution of RSA, ACT 108 of 1996

Public Finance Management Act, Act 1 of 1999

Treasury Regulations 21.1.1

## **7. POLICY PRINCIPLES**

**Accountability:** In terms of the PFMA the public funds must be accounted for.

**Effectiveness:** Public funds must be utilized and managed with reasonable care that it deserve.

**Efficiency:** Public funds must be utilized for their intended purposes.

**Transparency:** Public funds must be used in a transparent fashion.

## **8. POLICY CONTENT**

### **8.1 RERPORTING AND MONITORING**

8.1.1 Section 8.4.1 of the Treasury Regulations states that – “An Accounting Officer must maintain appropriate measures to ensure that transfer payments to entities are applied for their intended purposes”. Such measures may include:-

- a) Monthly/ quarterly reporting procedures
- b) Internal and external audit requirements and where appropriate, submission of audited statements.
- c) Monthly /quarterly monitoring procedures.
- d) Scheduled or unscheduled inspections visits or reviews of performance.
- e) Any other control measures deemed necessary.

8.1.2 Section 8.4.2 of the Treasury Regulation further states that, An Accounting Officer may

Withhold a transfer payment to any entity if he or she is satisfied that:-

- a) conditions attached to the transfer or grants have not been complied with
- b) financial assistance is no longer required.
- c) the agreed objectives have not been attained.
- d) the transfer payment does not provide value for money in relation to its purpose or objectives.

## **8.2 PROCEDURAL GUIDELINES**

### **8.2.1 Annual Allocation of Transfer Payments**

The relevant Programme Managers shall provide the Chief Financial Officer with a detailed listing of the proposed recipients of transfer payments for the following financial year during the budget planning process. This listing shall be supported by relevant supporting documents.

### **8.2.2 Payments**

9.2.2.1. The Department shall comply with the following requirements prior to effecting payment to a qualifying institution:-

- a) Treasury Regulations 8.4.1 and 8.4.2 have been complied with including DORA and the PFMA.
- b) The relevant Programme Manager has authorized the payment thereof in terms of the appropriated allocation.
- c) The Programme Manager authorizing the payment shall ensure that appropriate supporting information has been obtained to satisfy him/her that:-
  - i. Contract /MOU has been signed/approved by Head of Department
  - ii. Transfer payment or grant is valid
  - iii. The amount requested is correct
  - iv. All conditions and objective have been met
  - v. The qualifying institution is aware of the statutory and departmental requirements
  - vi. The institution has om respect of the previous financial year's assistance complied with the statutory and departmental requirements
  - vii. That the qualifying institution has certified that it maintains effective, efficient and transparent financial management and internal control systems.
  - viii. That the transfer has been budgeted for.

### 8.2.3 Rollover of Transfer Payments

In terms of Treasury Regulation 6.4.1, funds appropriated but not spent in a particular financial year may be rolled over to a subsequent year, subject to approval of the Provincial Treasury and provided that these funds will be spend for the purposes originally appropriated for.

### 8.2.4 Categories of Transfers

- a) Public and Trading Entities
- b) Non-Profit Institutions
- c) Transfers to Municipalities (Conditional Grants & Capital funds for Libraries)
- d) Households (leave gratuity, injury on duty and claims against state)
- e) Bursaries

## 9. POLICY REVIEW

This policy will be reviewed when need arise

## 10. APPROVAL AND COMMENCEMENT

Signed in Mahikeng on this 02 day of December 2025



**MR I.S Mogorosi**  
**Head of Department**