

COMMISSION 1 - Supporting Compliance for NPOs & NPCs

FEEDBACK

**NATIONAL INDABA
26 – 27 NOVEMBER 2025**



Expectations Report-Back Session:

From Dialogue to Action

- Presentation of **Key Outcomes and Resolutions** from breakaway sessions,
- Outlining **Actionable Strategies** for improved **governance**, digital transformation, and impact-driven funding

Commission Opening Question

1. What do you want this indaba to discuss on compliance?
2. What support do NPOs/NPCs need to comply?
3. Which areas on Compliance are NPOs /NPCs struggling with?
4. What can NLC and its partners do to support NPOs/NPCs to comply?

For NPOs and NPCs to be **eligible** to access funding at NLC.

Facilitator's expectation and intention

NPOs and NPCs will have a set of **areas on compliance which they want** NLC & Partners to provide support and help to comply.

Suggestions on how those areas can be addressed.

Let NPOs/NPCs lead the discussions on what they want to discussed on compliance.

Let them be heard and feel heard.

Commission 1 - Supported by

1. **SARS** Representative - Capacity Building - Ms Manamela
2. **DSD** Representative - Registry office - Ms Lindi
3. Tax Practitioner /Accountant - Unnamed*

*Left earlier.

NLC Role

Distribute Funds for **Good Causes** however as Trustees of the Fund, the NLC must distribute to

- NPOs/NPCs - public benefit i.e serve community
- NPCs/NPOs compliant with foundational legislation, NLC regulations and guidelines which policies of NLC.

Top 10 Compliance Areas

NPOs/NPCs raised these challenges and asked these questions

- 1.What exactly is compliance requirements, can this be unpacked?
- 2.What are SARS requirements ?
- 3.DSD website - we can't register? or Submit Annual Reports, links and website don't work. Certificates not issued or expired.
- 4.How do NPO/NPC get accreditation for job creation and education when we operate in areas where majority are unemployed and have average grade 10 schooling?
- 5.How and Where do NPOs/NPCs get Audited Financial Statements?

Top 10 Compliance Areas

NPOs/NPCs raised these challenges and asked these questions

6. How do you remove or update Directors who have left and not reachable?
7. Does NPO pay remuneration or stipend to officers/directors?
8. What do you do when CIPC and DSD information - not same and NLC rejecting application due to this and can't effect changes?
9. How do we amend the constitution on DSD/ founding - MOI documents?
10. How to stop other people to Use similar Name of the NPOs and how come DSD allow different people use similar names?

3 Areas not addressed

1. NLC must accept manual applications the Thuthuka new system is a problem it is excluding NPOs.
2. The facilitator did not take discussions from participants
3. When is the next call? Board not made decision on this, new DAs still have backlog.

These items will be addressed in main plenary with 1 slide added for information on Thuthuka System

Unpack Basics Compliance

NPOs/NPCs Need to comply as

1. **Entity** - NPO Act, Companies Act and Income Tax Act
2. **Employer** even it is volunteer/ stipend- Basic Conditions for contracts, Coida for occupational safety - once a year, Income Tax - PAYE/ SDL > R500k payroll and UIF payable to SARS on monthly basis. DOL - Monthly UI19. All guided by thresholds.
3. **Director/Officer** - Fully responsible and accountable to ensure compliance of the entity.
4. **Beneficiaries** - community needs determine services required like DSD, DOE requirements e.g ECD and Old Age home etc specific certificate requirements. Life at Esidimeni was made as examples

Shared information

NLC Facilitator, SARS and DSD and “unknown” tax practitioner

- Audited Financial Statements are only issued by IRBA
- Independent Review - issued by Accountants in different professional bodies, check practice number ensure they can issue this report
- Use Tax practitioners with number on SARS website
- SARS branches and youtube has several training on issues of compliance
- Reporting requirements by SARS, DSD and Companies act (CICP)
- Tax clearance application process including sars efilng profile and appointment of public officer.
- Remuneration of officers/directors be guided by funder, potential conflict of interest, find guides on internet on this. Watch for threshold for tax purposes.
- Similar use of Name - NPO not address only Companies Act. Domain use and other areas like trade mark.
- PBA - S10 and Schedule 6 for PBO status

Suggestions Made by NPOs

NPOs/NPCs made following recommendations:

- SARS requirements are complex need further **simplicity**
- DSD must provide **alternative** including manual submission whilst waiting for all module since this is second year system not up, system is not available
- **NLC must intervene on behalf of beneficiaries** especially in DSD - Western Cape and Eastern Cape offices.
- **Accreditation** can be done through Health and Welfare Seta, find service providers who are accredited and have Service Level
- Identify accredited arts and culture practitioners in local areas
- **Service Delivery at local level or even district**
- **Registration on NLC system** should not be closed rather application.

Other Comments Noted

NPOs/NPCs shared comments

- 1.DSD WC and EC province office were unable to help when beneficiary was trying to submit
- 2.DSD Staff don't care
- 3.NLC requirements are difficult to meet because of DSD related issues
- 4.Director/Officer can't be removed directors on the DSD and difficult when you can't reach previous directors
- 5.NPOs feel stuck even with other funders
- 6.DSD Applications submitted however no responses or acknowledgment
- 7.Two NPOs second tranches not paid however submitted progress report

GAPS observed

Key issues raised by delegates and partners:

- Compliance difficulties compounded by systems failures especially (DSD & NLC)
- Governance gaps
- Reporting challenges
- Founding document amendments
- Director appointments and removals
- Skills Development Accreditation and Sustainability
- Confusion on PBO, 18A and tax rules
- No integration, possible duplication in terms submissions to different regulators/registry.
- NPO Act still require additional review, which will be done through policy including alignment to other legislation.

Root Causes

Six major contributors:

- Limited information or education or exposure by officers /directors
- Complex and too many compliance requirements
- Limited or no rural/township support
- Low digital infrastructure
- Limited available people to serve in governance structures
- MOUs exist and coordinated at national level not district and local level

NLC and Partners Commitment

Commit to a national, provincial, district and local coordinated approach involving:

- **DSD**
- **NLC**
- **SARS**
- Partner government departments/entities including CIPC and the Master of High Court

With one goal: **Enable NPOs to meet compliance requirements successfully.**



Integrated National NPO Support Program

Key pillars of **joint approach**:

- Harmonised compliance support
- Reduced duplication
- Clearer guidelines with practical examples
- Practical, hands-on assistance
- Strengthened accountability and governance
- Automate centralised non-compliance tracking system monitored by MOUs at all levels.

A session must have **all partners representatives** with help desks and reference numbers



Integrated National NPO Support Program

Consistent Outreach informed by local data:

- Rural municipalities
- Townships

Support provided on:

- DSD registration and reporting (new system)
- NLC Helpdesks on new system with reference numbers
- Simplified SARS tax compliance guidelines (Income Tax and PBO)
- DSD and CIPC governance guidelines
- NLC funding requirements
- DOL - Labour Law and Skills Development Levy /COIDA compliance



SARS Contribution

SARS to assist with:

- PBO and 18A training
- Tax Return assistance
- Dedicated NPO helpdesk support
- Workshops on record-keeping

NLC Contribution

The NLC to strengthen:

- Structured capacity-building program
- Pre-funding application workshops
- Post-funding monitoring and guidance
- Portfolio of evidence supports training
- Hold partners accountable on MOUs signed
- Implement with partners MOUs at all level especially at local level

DSD Contribution

DSD to enhance:

- Governance and Board training
- NPO registration and reporting support
- Amendments on Founding document and Officer/Directors assistance
- Localised monitoring and development support
- Provide support at district and local level
- Provide alternative platforms whilst system not fully operational or available to avoid NPOs unable to apply for funding.

Website : www.npo.gov.za (offline at the time)

Additional Information

Thuthuka System:

NLC Board made following decisions:

- a) Applications must accepted in both manual and online. NPOs be assisted at NLC offices to be online.
- b) Non Compliant NPOs be assisted through MOUs with partners as per their mandate.

As for use of the system:

- 16 632 create profiles, approx. 26%(4 446 compliant) and 49%(8 149 non compliant - DSD and CIPC and incomplete profiles are 24% (4 037)).
- Compliant profiles at different stages of adjudication

Shared Vision

When we strengthen compliance, we strengthen governance.

When we strengthen governance, we strengthen sustainability.

And when we strengthen sustainability, we strengthen communities.

We are not here to police NPOs. We are here to partner with them for good causes.

A unified, responsive, and supportive ecosystem for South Africa's NPO sector