



Applying for National Lottery funding

New regulations on the allocation of National Lottery funding were issued in April 2015 to improve the allocation process, reduce the reporting requirements for smaller grants and minimise the risk of mismanagement and fraud. In July, the first call for applications under the new regulations was issued in the Charities and Arts, Culture & National Heritage sectors. What has changed and how can organisations apply for funding under the new regulations?

The regulations make some key changes in the application and adjudication process that organisations should be aware of when applying for Lottery funding in this round.

SUPPORT AND AWARENESS

According to the regulations, one of the roles of the newly-named **National Lottery Commission** is to educate and raise awareness of the grant-making process and provide capacity building training, particularly financial management, to applicant organisations. The regulations discourage applications for conduit funding by intermediaries (where a big established organisation applies on behalf of small, community-based organisations). The only time this is allowed is if the organisation has been in existence for less than 6 months.

To support and educate organisations through the application process, the Commission has a new website, a dedicated helpline and offices in every province. Make use of these resources, they are there to support fair access to Lottery funding, particularly for community based organisations.

PRIORITY AREAS

The Lottery regulations state that 47% of funds must be allocated to the Charities sector, an increased proportion. This means more funding is available for non-profit, social welfare organisations, particularly those serving:

“Rural, under-privileged and poor communities.”

The latest call is looking for applications in the following priority areas:

1. Expansion of **home-based care services** through training and infrastructure development for the **aged, the sick, orphaned and vulnerable children** and **the disabled**.
2. Provision of services in **early childhood development, adult literacy, vocational training** and **mentoring** for skills development that includes disabled people.
3. **Social welfare** developmental programmes.

The call and various application forms make it clear that job creation is a key focus for the Lottery.

GRANT TYPES

The regulations put in place different grant sizes and reduce the reporting requirements for smaller grants. Again, this is an effort to improve access for smaller, less capacitated organisations by reducing the reporting burden.

1. **SMALL GRANTS** of **under R500,000** for small, emerging organisations or organisations that have not received Lottery funds before. These organisations only need to provide a report and supporting invoices and cannot apply for multi-year funding or funding for infrastructure, except for renovations.
2. **MEDIUM GRANTS** of between **R500,000 and R5 million** for larger, more established organisations who must submit an independently reviewed financial statement. These organisations can apply for multi-year (up to 3 years) and infrastructure funding.
3. **LARGE GRANTS** of **over R5 million** for organisations or projects identified by the National Lottery Commission as proactive funding. An audited financial statement of the grant itself must be provided.

The large grant category is not available for the current call for applications.

WHO CAN APPLY?

To be considered, even for a small grant, you must be a **registered non profit charitable organisation** – either a Non Profit Company (formerly a Section 21 Company), a Non Profit Organisation (NPO) or a Public Benefit Trust. Family Trusts are not eligible.

There are some other criteria:

- Children's homes, ECD centres, homes for the aged or places of care **must be registered**.
- If you have received funding from the Lottery before, you must have submitted all your **progress and final reports** according to your grant agreement.
- The regulations state that organisations are not eligible if they have received a Lottery grant less than 12 months previously (from the date they received the funding). However, this is not mentioned in the call for applications so may not apply to this round.

HOW TO APPLY

As with most funding applications, organisations must submit an application form, a proposal (called a 'Business Plan' in this case), a budget and the required supporting documents. There are different requirements, deadlines and forms for small grant and medium grant applications. All the forms and templates are available on the website or at your provincial Lotteries Commission office.

"We are anticipating a positive response and we urge organisations to submit their applications as early as possible."

- **Charlotte Mampane**, Lotteries Commissioner

For a **SMALL GRANT** you must submit:

1. Completed **FORM 2010/2**
2. A **Project Business Plan** for small grants, using the template provided. This is your proposal.
3. A **Budget** and motivation, using the template provided.
4. **Proof of your registration** as an NPO and as a place of care/home etc (if applicable).
5. If you have **not** received funding from the Lottery before, your **founding document** signed and dated (eg: constitution, trust deed, memorandum of association/incorporation).
6. **Financial records** for 3 months to include:
 - Statement of Assets and Liabilities
 - Income Statement
 - Original bank statements (not copies)

Make sure that the name of your organisation is the same on *all of these documents* and use the checklist provided to ensure you are submitting the correct documents.

Send your application to the Central Applications Office in Pretoria by **12 November 2015**.

For a **MEDIUM GRANT** you must submit:

1. Completed **FORM 2010/1**
2. A **Project Business Plan** for medium grants, using the template provided.
3. A **Budget** and motivation, using the template provided.
4. **Proof of your registration** as an NPO and as a place of care/home etc (if applicable).
5. Signed and dated **founding document** if your organisation has not received Lottery funding before.

6. Most recent signed and dated financial statements:

- For 1 year if you have received Lottery funding before.
- For 2 consecutive years (signed by an independent accounting officer or auditor), if you have never received funding from the Lottery.

7. Signed Auditor or Accounting Officer's Report

Applications for medium grants must be submitted to the Central Applications Office in Pretoria by **3 September 2015**.

LINKS AND CONTACTS

All the forms, templates and contact details are available on the NLC website:

<http://www.nlcsa.org.za/call-for-applications-charities-sector/>

If you can't access the internet, you can contact your provincial NLC office who should provide the forms and answer any questions you may have.

Central Applications Office

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NACOSA

NACOSA is a national network of over 1,500 organisations working together to tackle interlinked health and social development issues. We're stronger, together.

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