

## **MEDIA** STATEMENT

28 May 2024

## Payment of Non-Profit Organisations almost concluded

Premier Panyaza Lesufi assures all successful Non-Profit Organisations (NPOs) for the 2024/25 financial year that payment of their subsidies is underway and will be concluded soon. The legal challenge that threw off a prearranged process established on May 14, 2024, was the reason for the brief delay.

The Gauteng Provincial Government met with Non-Profit Organisations between the 13<sup>th</sup> -14<sup>th</sup> of May 2024 to give them a chance to voice their concerns and find mutually agreeable solutions. Despite reaching an amicable solution, unfortunately, some NPOs proceeded to take the provincial government to court, which halted the progress of the payment process that began on 13 May 2024.

To help reconcile the ongoing payment process and the court verdict, the Gauteng Provincial Government was compelled to obtain legal advice. The provincial administration has gotten a legal opinion that aligns with the court's decision. The GPG has decided to pay the qualifying NPOs for the first and second quarters using the existing 2023/2024 Service Level Agreements (SLAs) as a stopgap measure.

Submissions will only be paid for the third and fourth quarters if an SLA has been concluded for the 2024/2025 financial year. If the payments in the first two quarters constitute a shortfall or surplus, the subsidies paid in these quarters will be adjusted to ensure compliance with the allocation for the 2024/2025 financial year.

The subsidies paid to the NPO are based on the NPO's assurance to the Department that it implements effective, efficient, and transparent financial management and internal control systems.

The provincial government is not obliged to grant funding to non-compliant NPOs, and the payment will be made in keeping with the GPG's commitment to clean governance.

-ENDS-

## Issued by the Gauteng Provincial Government

For media enquiries contact Sizwe Pamla, Spokesperson for Gauteng Premier, Panyaza Lesufi on 060 975 6794 or on <u>sizwe.pamla@gauteng.gov.za</u> For media releases, speeches and news visit <u>www.gauteng.gov.za</u>