



Kinderfonds

**MAMAS**

# Funding Policy & Procedure

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Kinderfonds MAMAS

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## Interpretation of terminology

<b>Project</b>	Stands for your organisation/NGO and all your activities
<b>Program</b>	The main activity/activities MAMAS is requested to (co-)fund
<b>Funding year</b>	Stands for MAMAS' funding year, <b>from 1 January to 31 December</b>
<b>Contractual year</b>	The period a contract lasts, also <b>from 1 January to 31 December</b>
<b>FP&amp;P</b>	Funding Policy & Procedure: MAMAS' policy document on funding
<b>Direct reach</b>	Number of children (0-24) in a program, directly benefiting
<b>Indirect reach</b>	Children (0-24) indirectly benefiting from a program (e.g. siblings)
<b>Funding Form</b>	The integral document to be used for all applications, reports, etc

## Funding Policy & Procedure

This document describes the *funding policy* of **Kinderfonds MAMAS** (hereafter “**MAMAS**”) for the funding of NGOs/organisations, programs, projects and activities (hereafter described as “**projects**”) in South Africa, as well as the *funding procedure*.

### **A - The vision**

Our vision is that all children in South Africa grow up with love and care and are able to reach their full potential.

### **B - The mission**

We believe MAMAS know best what the children and youth in their communities need.

We build on the wisdom and strengths of local MAMAS and the sustainability of an alliance of MAMA Partners. They ensure vulnerable children and youth have access to the love and care they need to thrive at crucial stages in their lives from birth to their first job.

We engage committed funders to provide the support MAMAS need. Together we help children and youth break the cycle of poverty to reach their full potential.

### **C - The strategy**

MAMAS’ strategy is entirely based on funding, supporting and enabling committed South African grassroot, community based organisations and their MAMAS to provide these children with the help they need in the most effective, caring, professional and transparent way possible.

Funding is available from donors in The Netherlands (both private and family offices / institutional / Postcode Lottery) as well as through CSI funding from South African companies.

### **D - The positioning**

MAMAS believes in the principle, once stated by Nelson Mandela, that such efforts should not be considered as acts of charity, but acts of justice.

### **E - Involving Dutch society**

Kinderfonds MAMAS keeps the people of The Netherlands informed about its work, to promote understanding of the problems disadvantaged children in South Africa are facing, to encourage a feeling of responsibility and - as a result – to involve the Dutch people in the solution by raising funds to support its work.

## F - Principles

1. MAMAS will only fund projects, programs and activities that provide **direct, concrete, structural care and assistance to South Africa's most vulnerable children**. These may include projects addressing issues around poverty, street children, orphans, child/youth headed households, mental or physical illness, abuse, refugees, children living with (the consequences) of HIV/AIDS.
2. MAMAS has a strong preference for project that are
  - a. **grassroot** initiatives started and 'owned' by a local MAMA, characterised by strong personal ownership, social entrepreneurship, and leadership, and where **big hearted** MAMAS and PAPAS are always willing to go that extra mile.
  - b. walking the journey from birth until first job or showing strong potential of inclination of doing so.
  - c. steered by a **strong local, committed board**, including board members with knowledge and background in community work, and in finance, entrepreneurship, HR, and legal services.
  - d. **community based**, inclusive and connected, and preferably also supported in and by that community in various ways.
  - e. **independent and non faith driven**, not part of an umbrella or holding organisation, not a franchise of another entity/organisation/company, not governed or supervised by any other organisation, department, institution or company.
  - f. **not competing** with - or a duplication of - an NGO or existing services nearby - working with the same community.
  - g. already **in existence**, have a good reputation and have a proven track record in quality care with clear measurable results (not necessarily big in numbers): NGO should not be a start-up.
  - h. making an impact in all **5 pillars of care**: nutrition, safety, health, education, and responsive care.
  - i. **measuring their impact**.
  - j. journeying and developing **holistically** alongside both the children, care givers, community, team of staff, and the governance of the organisation as a whole, including working with role models, and the screening and development of staff.
  - k. willing to **learn and share**.
  - l. **innovative** in their mission and vision and changing the community by their needs driven operations, addressing local needs with tailor made solutions. They show some form of sustainability and preferably the potential of growth and/or replication.
  - m. strong in fundraising, with a diversified (international) donor base and where MAMAS funds no more than 60% of the annual budget.
  - n. developing strong **local partnerships**, including local departments.

3. MAMAS seeks to strengthen projects and to ensure their continuity. It will therefore support with **unrestricted** funding.
4. MAMAS is fully aware of the need for projects to have some degree of funding security. For this reason MAMAS is, in principle, committed to **fund projects for periods of three years** (after a trial period of usually one year), subject to annual evaluations.
5. MAMAS has the right to provide funding based on quarterly re-assessment if not all Funding Criteria are met (see chapter H).
6. Funding from MAMAS will depend upon the success of MAMAS' own fundraising activities, primarily in the Netherlands. MAMAS cannot be held liable nor forced in any way to continue funding, should funds not be available.
7. MAMAS sees projects/NGOs as Partners in their fundraising activities and therefore expects on a regular basis: stories, news, information, experiences and pictures of their daily reality.

### **G – Values**

MAMAS believes in values that guide behaviours in the various partnerships. These values are thus expected from all parties:

- o Honesty – the practice of being truthful, upright, fair, and transparent
- o Integrity – the value of having moral and ethical principles and practising them at all times
- o Compassion – concern for others especially those that are less privileged
- o Kindness – the quality of being friendly, generous, and considerate

In order to protect the values and good conduct of Kinderfonds MAMAS, MAMAS has an Integrity Policy and a Complaints Procedure. Should any of the values not be upheld by any member of Kinderfonds MAMAS staff and the Director, do raise this by sending an email to the finance manager of MAMAS at [integrity@mamasalliance.com](mailto:integrity@mamasalliance.com) or (in case the complaint is about the finance manager) to the Director of MAMAS at [Joep@kinderfondsmamas.nl](mailto:Joep@kinderfondsmamas.nl). Please refer to Attachment 4 for procedural guidance and contact details.

### **H – Project criteria**

Projects that meet the following criteria are invited to submit a Funding Application. MAMAS considers these criteria **conditional** for structural partnership:

1. NGO should have the **most vulnerable children and youth** of South Africa living in impoverished circumstances as target group and beneficiaries, and focus on improving the quality of their lives and their future chances.
2. NGO should focus its services on **daily, direct and concrete** care and support for children in need.

3. MAMAS expects projects/NGOs to be reliable, trustworthy partners and expects **full transparency and cooperation** during evaluations like project visits, system support assessments and report writing.
4. NGO should have a **clear, strong and effective** program and an (at least basic) implementation plan for (at least) the current programmatic year.
5. NGO should have the **professional skills and management capacity** to carry out the work.
6. NGO should have an **adequate constitution** including up to date details on signing authority.
7. NGO should have an existing active **board** with at least 5 independent, non-related, reputable, unpaid members, of whom one is the chairperson, not being the director or executive responsible in any way, who have no conflict of interest: a Board that (a) is fully and pro-actively aware of the scope, the quality and the activities of the project, (b) that guarantees the quality of management, staff, operations and administration of the project, (c) that follows a term of office schedule that safeguards multi-year continuity in leadership, responsibility and individual involvement of Board members.
8. NGOs should have in place **adequate administrative capacity**, including a qualified bookkeeper, internal financial policies and controls.
9. NGO should be **registered** with the SA government's Department of Social Development as an NPO according to the NPO act, either as a voluntary association, a trust or a NPC.
10. NGO should have their Income Tax Exemption approved as it meets the requirements of a Public Benefit Organisation (**PBO**). NGO also need to apply by SARS for additional approval under section **18A** if the funding from Kinderfonds MAMAS is more than 50% of the total income from donations.
11. NGO should develop credible and sustainable **income generating initiatives**, and avoid too much dependence on MAMAS' support.
12. NGO should have **transparent financial management**, a proper administration, and internal control systems.
13. NGO should be maximally and pro-actively open and transparent about all **remunerations** of all sorts, of all directors, managers, staff, employees and volunteers.
14. NGO should have or adopt a **clear policy to avoid conflicts of interest** of any kind – particularly in terms of (a) related staff, (b) combined board/management positions and (c) combinations bookkeeper/accountant and auditor - and strictly adhere to that policy.
15. NGO should have an independent **IRBA registered auditor/auditing firm** who produces audits conforming to the IRBA rules, and that MAMAS has direct access to for communication.
16. NGO pays all staff members at least the **minimum wage**, and contracted volunteers a stipend according to hours worked, in line with the South African National Minimum Wage.
17. NGO should be fully aware - in advance - that membership of MAMAS Alliance and beneficiary status of Children's Fund MAMAS will require **total transparency and accountability** and 100% compliance with MAMAS' reporting schemes, continuously sharing all relevant information (content wise and financially) on request, on schedule and *proactively*.
18. NGO should be registered and compliant to all **relevant taxes**, like UIF, SARS and VAT.
19. NGO should do their **VAT reclaiming**.

20. NGO sends an **Audited Annual Financial Statement**, signed by an IRBA registered auditor, to MAMAS within 6 months after closing their financial year, unless MAMAS agrees otherwise after a written request by the NGO.
21. NGO sends in the completed **Funding Application Form** including all associated documents in time. Information provided in the Funding Application is accurate and complete.
22. MAMAS will visit the NGO at least once a year for a **project visit** and in principle once every 5 years for an audit. NGO will be fully transparent and accountable, and proactively sharing all information that might be relevant to MAMAS and the auditing company.

### I - Monitoring and evaluation

1. Usually a new funding relationship between a project and MAMAS starts with a one year funding agreement, for one Contractual Year. If the relationship develops well, in principle a Funding Contract with MAMAS will follow for the duration of three Contractual Years.
2. During the Contractual Year the project will be asked to **submit two Progress Reports**, 6 months into the funding year and at the end of the Contractual Year (in July and March of that year): see attached Annual Funding Cycle. After positive review of these Progress Reports the Board will release the tranches of MAMAS' grant which are planned in February, May, August and the last tranche in November of the Contractual Year.
3. Within 6 months after closing the financial year of the NGO, the project submits its formal **Annual Report** for its entire organisation, plus its **Audited Annual Financial Statement**. In these documents MAMAS' grant has to be mentioned separately, clearly and transparently, including Kinderfonds MAMAS name and the total amount received during that year.
4. MAMAS expects all amounts mentioned in project reports to be **truly representing** the actual expenditure, based on a professional and accurate administration.
5. MAMAS reserves the right to have an audit performed by an independent and external expert or by an internal governance officer of Kinderfonds MAMAS. The audit serves to strengthen the project and will in principle be conducted every 5 years. An online mini-audit can be requested at all times. The audit covers a review and recommendations on all or some of the following areas: financials, governance, HR and program structures. The process is very interactive and projects are expected to cooperate.
6. **MAMAS will visit the project once or twice a year.** These visits will be done by a staff member of Kinderfonds MAMAS and it will be expected that (a) the CEO of the NGO/organisation, (b) a member of the Board and (c) Project Management will be available for the evaluation of the project. These visits are supposed to be field visits to the centre of the organisation, to 'the program in action', and to the households and homes of the families and children that benefit from the program. Projects are responsible to make sure that activities shown and situations visited are fully representative, giving an honest, complete and fair impression of the daily reality.

7. MAMAS' visits will be announced and arranged well in advance, following the **Project Visit Guide** - see Attachment.

**Special request: the same lunch as the beneficiaries**

When Kinderfonds MAMAS visits your NGO, it would be highly appreciated if MAMAS' representative(s) could – as a rule – have the same food for lunch that the children and staff in your program usually have: their normal, regular food. Nothing special or different.

**J - Auditor**

1. Integral part of the Funding Contract is that each Partner NGO agrees that Kinderfonds MAMAS' Finance Manager or representative always is entitled to have **direct and unlimited access** to the auditor of the Partner NGO.
2. This auditor is **IRBA registered**.
3. This auditor has no business connection to members of the Board, staff members and/or volunteers of the project, and is not involved in any way in the administration of the project.
4. We strongly recommend sharing this Funding Policy & Procedure document with your auditor.

**K - Funding procedure**

1. The decision to fund a project is solely at the discretion of the director of Kinderfonds MAMAS.
2. Such a decision will only be taken on the basis of a clear, complete and adequate Funding Application.
3. Funding Applications must be submitted to MAMAS' Project Team before the given strict deadline (23th of January).
4. Funding Applications may only be submitted at the invitation the director of Kinderfonds MAMAS or its representative.
5. Such an invitation will, generally, only be given after the director of Kinderfonds MAMAS or its representative has visited and assessed the project.
6. The decision whether or not to fund a project will be taken within a month of the closing date of the application procedure, and will be conveyed in writing by or on behalf of the director of MAMAS.
7. Should the decision be positive it will be followed shortly by a written Contract which must be signed by the project's Chairperson and Program Director and returned to MAMAS.
8. There can be no expectation of a positive decision prior to the formal MAMAS decision being made.

### **L - Funding contracts**

1. Generally speaking Funding Contracts will be for a period of three Contractual Years.
2. Funding Contracts express MAMAS' intention and sincere commitment to support a Project for the period mentioned, for at least the amount mentioned in the Contract, but is not legally binding and can not be enforced in court. In case of insufficient funding results in the Netherlands, or unsatisfactory results achieved by the Project (see also L4 to L6) MAMAS has the right to decide to terminate the contract or grant lower amounts than mentioned in the Funding Contract.
3. Funding Contracts will only be valid if signed by both the Chairperson and Managing Director of the Project and the Director of MAMAS.
4. Failure to comply with the contract, with the content of this document *Funding Policy and Procedure* (which forms an integral and inseparable part of the contract) or failure to achieve the goals set out in the contract and its attachments, may result in the NGO being placed under close supervision, decreased funding, partial payment of the funding, or termination of funding.
5. Such a decision to adjust or terminate funding will be at the sole discretion of the director of MAMAS.
6. Where misrepresentation of facts, figures or results and/or administrative or financial irregularities occur in a project, MAMAS will be entitled to terminate the Funding Contract with immediate effect and to demand the immediate and full return of the grant.

### **M - Payments**

1. Payment of funding can only be made once there is a valid, signed Contract in place and when the project has fulfilled all its obligations as mentioned in this document.
2. MAMAS' annual contribution will – as a rule – be transferred in four equal tranches during the Contractual Year: 1/4 at the start of the Contractual Year (around 25<sup>th</sup> February for the period of January - March), 1/4 three months later (around 25<sup>th</sup> May, for the period of April - June, the third payment in August (around 25<sup>th</sup> August for the period of July – September) and finally in November (around 25<sup>th</sup> November for the period of October - December).
3. The first payment for the subsequent Contractual Year will only be transferred after the new Application has been correctly submitted and assessed by the director of Kinderfonds MAMAS or its representatives and a signed contract has been received.

### **Attachments**

1. MAMAS' Annual Funding Cycle
2. MAMAS' Project Visit Guide
3. Procedure for Reporting Violation of Values

## ANNUAL FUNDING CYCLE

January	February	March
<p><b>20 Deadline</b> Funding Application and associated documents.</p>	<p><b>17</b> Sign contract</p> <p><b>25</b> Payment Tranche 1 (1/4) covering period Jan-Mar.</p>	<p><b>20 Deadline</b> Progress Report 2 (Jan - Dec of the previous year ) and associated documents.</p>
April	May	June
	<p><b>23</b> Payment Tranche 2 (2/4) covering period Apr-June.</p>	
July	August	September
<p><b>20 Deadline</b> Progress Report 1 (Jan -Jun) and associated documents.</p>	<p><b>25</b> Payment Tranche 3 (3/4) covering period July-Sept.</p>	<p><b>01 Deadline</b> Audited Annual Financial Statement and Annual Report.</p>
October	November	December
	<p><b>25</b> Payment Tranche 4 (4/4) covering period Oct-Dec.</p>	<p><b>01</b> Invitation to apply for funding for the next year.</p>

## ATTACHMENT 2

### MAMAS' Project Visits Guide

In principle site visits of Kinderfonds MAMAS' representatives will be announced and coordinated well in advance. These visits will generally start at 09 00 hrs and end around 15 30 hrs. Full-time availability of the CEO/Director/Project Manager of the organisation is highly appreciated. The same applies to thorough preparations, transport support (if needed) and sufficient time to meet, talk and see the project and the children 'in the field'.

#### A AND B VISITS

In principle every project will be visited by MAMAS two times a year. Overall there are two types of site visits. MAMAS will indicate in advance what type of visit it envisages:

**A.** Visits with more emphasis on the organisation's progress (primarily but not exclusively in the light of the MAMAS application), challenges, management, finance, admin and statistics (for some 70% of the time\*) and less emphasis on field visits (some 30% of the time\*\*).

*\* - Including 1 hour meetings between 09 00 hrs and 13 00 hrs with (a) the Director alone, (b) the Administrator, (c) the Chair Person or Treasurer of the Board and (d) care workers and community workers working on activities funded by MAMAS.*

*Should any of these persons not be able to attend, notice in good time is appreciated.*

*\*\* - From appr. 13 30 to 15 30 hrs: this shorter part of the site visit can consist of visiting onsite activities (if applicable) and/or a home visit or a school visit, accompanied by care worker(s), project manager etc. A brief but representative and realistic impression of the work realized.*

**B.** Visits with more emphasis on 'the project in action' (for some 70% of the time focussing on the work in the field: on site activities, home visits, school visits, etc\*) and less emphasis on organisational issues such as mentioned above (for some 30%\*\*).

*\*\* - Mainly consisting of a 1,5 hour joint morning meeting with the Director, the Administrator and a member of the Board (preferably the Chair Person) with the aim to discuss current and future state of the project (mainly in the light of the MAMAS application), challenges and solutions, financials and statistics. (09 00 – 10 30 hrs)*

*Should any of these persons not be able to attend, notice in good time is appreciated.*

*\* - The Project in Action: 11 00 – 15 30 hrs: This greater part of the visit is meant to see and meet children in their environment: in project, home, school or residential (if possible). To be seen and visited: onsite activities if applicable, plus three or four home visits or school visits accompanied by care worker/project manager etc. This part of the visit should give an in-depth insight in the quality and impact of the programme; as complete and convincing as possible. A realistic and fair impression of the good and the less good news.*

## ATTACHMENT 3

### Procedure for Reporting Violation of Values

MAMAS has an integrity policy that sets the standards and values we wish to comply with. The integrity policy arises from the Code of Good Conduct and aims to prevent abuse and violations of our core values. At the same time, suspected abuse and violations are treated seriously when they occur and they can be reported.

#### Types of misconduct

A distinction is made between three types of misconduct:

1. Abuse of power: corruption, conflict of interest, leaking of confidential information and culpable negligence;
2. Financial violations: fraud, theft, misuse of assets, misuse of available goods or services, culpable mismanagement of funds;
3. Interpersonal violations: sexual harassment, sexual violence, aggression, discrimination and bullying.

#### Reporting of (suspected) misconduct or violation of MAMAS values

If you want to report (suspected) abuse or violation by an employee of Kinderfonds MAMAS / MAMAS Alliance, you can do this by sending an email:

1. Contact the finance manager of MAMAS via [integrity@mamasalliance.com](mailto:integrity@mamasalliance.com) or;
2. If it concerns misconduct by the finance manager, contact the director directly via [joep@kinderfondsmamas.nl](mailto:joep@kinderfondsmamas.nl).

#### Procedure

Reports are registered in the integrity register and discussed with the manager of the staff member involved. In the case of an official written report, the director or board will conduct an investigation and it may be decided to engage an independent external expert. This will be necessary if: a) there is insufficient knowledge and experience within MAMAS with regard to carrying out such a study or b) the objectivity of conducting the research benefits from this.

During the investigation, the reporter will receive general information about the progress of the investigation (and the outcome) unless the reporter does not appreciate this or this is disadvantageous for the reporter or for the investigation, or unless there are other justified reasons not to inform the reporter. If there are other reasons for not informing the reporter, the reporter will be notified in writing. The director and board discuss the results of the investigation and take follow-up steps if necessary. If the report has been made to the chairman of the board, the results of the investigation will be discussed within the full board of the Foundation. The person who reports the suspicion of a violation and the person(s) to whom the suspicion of a violation has been reported will always treat the report confidentially.