

26 November 2019

MUNSOFT

municipal financial software

Munsoft client(s)

Dear Sir/Madam,

RE: NOTICE 317 of 2019 Gazette No. 42514 MUNICIPAL COST CONTAINMENT REGULATIONS, 2019 - REQUEST FOR SPONSORSHIP OR DONATION FOR A SOCIAL FUNCTION

As Munsoft we believe strongly in corporate social investment. Enterprise development contributions, supplier development contributions and socio-economic development contributions are part of our executive strategic mandate. In 2018/19 we spent 10% of our Net Profit After Tax and 9% of our total annual payroll on CSI initiatives. With the 2019/20 Financial Year still active, we believe that we will either achieve the same heights of 2018/19 or exceed them.

We are hereby writing to our clients with reference to the above-mentioned regulation, in reference to request for a sponsorship or donation to fund the social events, team building exercises, year-end functions, sporting events and budget vote dinners organised by the municipality. Regrettably unlike in the past, Munsoft will no longer be able to provide such a sponsorship or donation. This decision was based on the provisions of the recently promulgated Cost Containment Regulations, 2019.

Cost Containment Regulation 10(5) provides as follows:

An accounting officer must ensure that social events, team building exercises, year-end functions, sporting events and budget vote dinners are not financed from the municipality or the municipal entity's budgets or by any suppliers or sponsors.

Accepting donations or sponsorships from a supplier to fund social functions as mentioned in the regulation may result in the municipal official involved being held liable for financial misconduct.

We trust that you will find this to be in order.

Yours faithfully



Mr. N. Rerani
Executive Director

Building 17, Cycad House
Constantia Office Park
Corner 14th Avenue and Hendrik
Potgieter Street
Weltevredenpark
Roodepoort
1709

PO Box 731457
Fairland
Johannesburg
2030

Office: +2711 215 8000
Fax: +2711 215 8019
Email: info@munsoft.co.za

www.munsoft.co.za

Reg no: 2001/024674/07
Vat no: 4820201004