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PROVINCIAL NOTICE

VOLUME 3

241 DIVISION OF REVENUE BILL, 2018:

BUDGET ALLOCATIONS FOR HOSPITALS, SCHOOLS, MUNICIPALITIES, PUBLIC ENTITIES AS WELL AS EARMARKED FUNDING TO DEPARTMENTS

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SCHEDULE 3

BUDGET ALLOCATIONS TO MUNICIPALITIES

The following schedule relates to the allocation of funds by provincial departments to municipalities and covers the following:

- I. The indicative allocation per municipality for every allocation to be made by the Province to municipalities from the Province's own funds;
- II. The envisaged division of these allocations contemplated in sub-paragraph (i) in respect of each municipality for the next financial year and the 2019/20 financial year; and
- III. The conditions and other information in respect of these allocations to facilitate performance measurement and the use of the required inputs and outputs.

Category	District Municipality	Demarcation code	Municipality	FREE STATE GRAND TOTAL (R'000)					
				Provincial Financial Year			Municipal Financial Year		
				2018/19 Allocation	2019/20 Allocation	2020/21 Allocation	2018/19 Allocation	2019/20 Allocation	2020/21 Allocation
A		MAN	Mangaung	113 392	133 812	141 060	113 392	133 812	141 060
B	DC 16	FS 161	Letsemeng	3 189	2 189	2 309	3 189	2 189	2 309
B	DC 16	FS 162	Kopanong	6 356	4 356	4 596	6 356	4 356	4 596
B	DC 16	FS 163	Mohokare	1 199	199	210	1 199	199	210
C	DC 16	DC 16	Xhariep District	20 000	20 000	21 100	20 000	20 000	21 100
Total Xhariep				30 744	26 744	28 215	30 744	26 744	28 215
B	DC 18	FS 181	Masilonyana	5 885	3 885	4 099	5 885	3 885	4 099
B	DC 18	FS 182	Tokologo	2 324	324	342	2 324	324	342
B	DC 18	FS 183	Tswelopele	2 744	1 744	1 840	2 744	1 744	1 840
B	DC 18	FS 184	Matjabeng	58 490	58 490	61 707	58 490	58 490	61 707
B	DC 18	FS 185	Nala	3 484	2 484	2 621	3 484	2 484	2 621
C	DC 18	DC 18	Lejweleputswa District						
Total Lejweleputswa				72 927	66 927	70 609	72 927	66 927	70 609
B	DC 19	FS 191	Seisoto	18 667	18 667	19 694	18 667	18 667	19 694
B	DC 19	FS 192	Dihlabeng	13 091	11 691	12 410	13 091	11 691	12 410
B	DC 19	FS 193	Nketoana	8 119	7 119	7 511	8 119	7 119	7 511
B	DC 19	FS 194	Maluti a Phofung	111 114	108 714	114 769	111 114	108 714	114 769
B	DC 19	FS 195	Phumelela	3 369	1 369	1 444	3 369	1 369	1 444
B	DC 19	FS 196	Mantsopa	1 560	11 560	12 196	1 560	11 560	12 196
C	DC 19	DC 19	Thabo Mofutsanyana District						
Total Thabo Mofutsanyana				155 920	159 120	168 024	155 920	159 120	168 024
B	DC 20	FS 201	Moqhaka	8 295	8 295	8 751	8 295	8 295	8 751
B	DC 20	FS 202	Nqwathe	27 000	9 000	9 495	27 000	9 000	9 495
B	DC 20	FS 203	Metsimaholo	8 725	8 725	9 205	8 725	8 725	9 205
B	DC 20	FS 204	Mafube	10 143	10 143	10 701	10 143	10 143	10 701
C	DC 20	DC 20	Fezile Dabi District						
Total Fezile Dabi				54 163	36 163	38 152	54 163	36 163	38 152
Unallocated funds		Financial Assistance		29 057	30 435	32 219	29 057	30 435	32 219
Unallocated funds		Municipal Infrastructure Grant		12 535	8 506	3 168	12 535	8 506	3 168
Total Unallocated				41 592	38 941	35 387	41 592	38 941	35 387
Total provincial payments by district				468 738	461 707	481 447	468 738	461 707	481 447

PROVINCIAL ALLOCATIONS : MUNICIPAL SUPPORT PROGRAMME TO PROVIDE TECHNICAL SUPPORT TO MUNICIPALITIES IN 2018/19

1. Transferring Provincial Department	Provincial Treasury
2. Purpose	To assist medium and low capacity municipalities facing financial problems and reporting challenges through Provincial Treasuries' Municipal Support Programme.
3. Measurable Outputs	The provision of limited financial assistance to selected municipalities facing financial & reporting challenges.
4. Conditions	<p>4.1 The Local Municipality acknowledges receipt of the funds as per the prescribed Allocation of funds earmarked for the municipal support programme to provide technical support to municipalities.</p> <p>4.2 Municipality includes the amount in 2017/18 Main Budget.</p> <p>4.3 Municipality reports back on the appropriation of the Allocation of funds earmarked for the municipal support programme to provide technical support to municipalities and submit supporting documentation in this regard.</p> <p>4.4 Compliant with SCM processes & Municipalities must enter into a service level agreement with the service providers.</p> <p>4.5 Progress reports from consultants must be sign off by the Accounting Officer & submitted monthly to PT.</p>
5. Allocation criteria	Allocations are made on a needs basis and financial position of Municipalities
6. Monitoring mechanism	<p>6.1 Project Committee to assess progress</p> <p>6.2 Monthly expenditure report 10 days after the reporting month to PT, (MFMA Sec 71)</p> <p>6.3 Monthly progress report 10 days after the reporting month to PT, (Non Financial Report)</p>
7. Projected life	12 months
8. Payment Schedule	Payment with regard to financial support will be made according to the conditions of paragraph 4.
9. Reason not incorporated in Equitable Share	Section 154(1) of the Constitution, requires the National Government and the Provincial Governments, by legislative and other measures, must support and strengthen the capacity of Municipalities and to exercise their powers and to perform their function
10. Allocation	2018/19 - R33.000 million; 2019/20 - R13.000 million; 2020/21 - R13.715 million

Category	District Municipality	Demarcation code	Municipality	PROVINCIAL TREASURY: Allocations (R'000)					
				Provincial Financial Year			Municipal Financial Year		
				2018/19 Allocation	2019/20 Allocation	2020/21 Allocation	2018/19 Allocation	2019/20 Allocation	2020/21 Allocation
B	DC 16	FS 161	Letsemeng	1 000			1 000		
B	DC 16	FS 162	Kopanong	2 000			2 000		
B	DC 16	FS 163	Mohokare	1 000			1 000		
C	DC 16	DC 16	Xhariep District	1 000			1 000		
B	DC 18	FS 181	Masilonyana	2 000			2 000		
B	DC 18	FS 182	Tokologo	2 000			2 000		
B	DC 18	FS 183	Tswelopele	1 000			1 000		
B	DC 18	FS 185	Nala	1 000			1 000		
B	DC 19	FS 193	Nketoana	1 000			1 000		
B	DC 19	FS 194	Maluti a Phofung		2 000	2 110		2 000	2 110
B	DC 19	FS 195	Phumelela	2 000			2 000		
B	DC 19	FS 196	Mantsopa	1 000	11 000	11 605	1 000	11 000	11 605
B	DC 20	FS 202	Nqwalthe	18 000			18 000		
TOTAL				33 000	13 000	13 715	33 000	13 000	13 715

PROVINCIAL ALLOCATIONS TO MUNICIPALITIES IN TERMS OF LIMITED FINANCIAL SUPPORT	
LIMITED FINANCIAL SUPPORT TO XHARIEP DISTRICT MUNICIPALITY	
1. Transferring Provincial Department	Cooperative Governance and Traditional Affairs
2. Purpose	2.1 To assist the Xhariep District Municipality facing financial problems to restructure its financial position and organization over the medium term
3. Measurable Outputs	3.1 The provision of limited financial assistance to those Municipalities facing critical financial problems
4. Conditions	4.1 The Xhariep District Municipality acknowledges receipt of the funds as per the prescribed Limited Financial Assistance Return Certificate 4.2 The Xhariep District Municipality include the amount in its Adjustment Budget 4.3 The Xhariep District Municipality reports back on the appropriation of the Limited Financial Assistance and submit supporting documentation in this regard 4.4 The Xhariep District Municipality continuously reports to the Department progress on the matter.
5. Allocation criteria	5.1 Allocations are based on financial position of Municipalities
6. Monitoring mechanism	6.1 Monthly expenditure reports 6.2 Monthly progress reports
7. Projected life	12 months
8. Payment Schedule	Payment with regard to financial support will be made according to the conditions of paragraph 4
9. Allocation	2018/19 - R19.000 million; 2019/20 - R20.000 million and 2020/21 - R21.100 million

UNALLOCATED PROVINCIAL ALLOCATIONS TO MUNICIPALITIES	
LIMITED FINANCIAL AND INFRASTRUCTURE SUPPORT TO MUNICIPALITIES	
1. Transferring Provincial Department	Cooperative Governance and Traditional Affairs
2. Purpose	2.1 To assist medium and small Municipalities experiencing severe financial problems to restructure their financial positions and organizations over the medium term 2.2 To provide funding towards the Municipal Infrastructure Grant to performing municipalities
3. Measurable Outputs	3.1 The provision of limited financial and infrastructure assistance to those Municipalities facing critical financial problems
4. Conditions	4.1 The Local / District Municipality acknowledge receipt of the funds as per the prescribed Limited Financial Assistance Return Certificate 4.2 The Local / District Municipality include the amount in its Adjustment Budget 4.3 The Local / District Municipality reports back on the appropriation of the Limited Financial Assistance and submit supporting documentation in this regard. 4.4 Service providers to be appointed for the compilation of design and tender documentation and implementation of project 4.5 Contractors appointed by way of open public tenders. 4.6 Payment vouchers submitted to the Department.
5. Allocation criteria	5.1 Allocations are based on financial position of Municipalities 5.2 Allocation are based as emergency situations arise, such as water purification, electrification and revitalisation of VIP toilets
6. Monitoring mechanism	6.1 Monthly financial reports and progress meetings 6.2 Monthly proof of expenditure, monthly progress reports and close out report on completion 6.3 Quarterly MIG meetings
7. Projected life	12 months
8. Payment Schedule	Unallocated
9. Allocation	Financial Assistance: 2018/19 - R29.057 million; 2019/20 - R30.435 million and 2020/21 - R32.219 million Municipal Infrastructure Grant: 2018/19 - R12.535 million; 2019/20 - R8.506 million and 2020/21 - R3.168 million

Category	District Municipality	Demarcation code	Municipality	COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: Allocations (R'000)					
				Provincial Financial Year			Municipal Financial Year		
				2018/19 Allocation	2019/20 Allocation	2020/21 Allocation	2018/19 Allocation	2019/20 Allocation	2020/21 Allocation
C	DC 16	DC 16	Xhariep District	19 000	20 000	21 100	19 000	20 000	21 100
	Unallocated funds		Financial Assistance	29 057	30 435	32 219	29 057	30 435	32 219
	Unallocated funds		Municipal Infrastructure Grant	12 535	8 506	3 168	12 535	8 506	3 168
TOTAL				63 592	58 941	56 487	63 592	58 941	56 487

PROVINCIAL ALLOCATIONS TO MUNICIPALITIES: ASSISTANCE TO LOCAL MUNICIPALITIES FOR LIBRARY SERVICES	
1. Transferring Provincial Department	Sport, Arts, Culture and Recreation
2. Purpose	To assist municipalities with the administration of public libraries
3. Measurable Outputs	3.1 Improved salaries for public library staff, bringing salaries on par with salaries paid by the Department 3.2 Increased opening hours for libraries
4. Conditions	4.1 Funds transferred must only be used for the purpose indicated 4.2 A monthly statement indicating that funds were used for the stated purpose must be submitted within 15 days after the end of the month 4.3 Internal and external audit to ascertain that funds are used for the stated purpose and that measurable outputs are achieved 4.4 Monthly monitoring visits to review performance 4.5 Signing of a Memorandum of Agreement for the implementation of Conditional Grant Project
5. Allocation criteria	Allocated according to norms and standards relating to size and number of libraries
6. Monitoring mechanism	6.1 Monthly statements 6.2 Monthly monitoring visits by District Managers 6.3 Quarterly performance reports 6.4 Monitoring and Evaluation by the Provincial Evaluation Team established in terms of the Division of Revenue Act
7. Projected life	Continuous
8. Payment Schedule	In terms of agreements
9. Allocation	2018/19 - R7.5 million; 2019/20 - R4.7 million; 2020/21 - R4.7 million

Category	District Municipality	Demarcation code	Municipality	SPORT, ARTS, CULTURE AND RECREATION : Allocations (R'000)					
				Provincial Financial Year			Municipal Financial Year		
				2018/19 Allocation	2019/20 Allocation	2020/21 Allocation	2018/19 Allocation	2019/20 Allocation	2020/21 Allocation
A		MAN	Mangaung	2 000	2 000	2 000	2 000	2 000	2 000
B	DC 19	FS 192	Dihlabeng	2 750	1 350	1 500	2 750	1 350	1 500
B	DC 19	FS 194	Maluti a Phofung	2 750	1 350	1 500	2 750	1 350	1 500
TOTAL				7 500	4 700	5 000	7 500	4 700	5 000

PROVINCIAL ALLOCATION TO MUNICIPALITIES: PROPERTY RATES AND TAXES	
1. Transferring Provincial Department	Public Works and Infrastructure
2. Purpose	For the payment of municipal property rates and taxes on provincially owned properties (registered, unregistered or incorrectly registered).
3. Measurable Outputs	Payment of rates and taxes made within 30 days of receipt of invoice from municipality
4. Conditions	Property for which rates and taxes are imposed must be reflected on the General Valuation roll of the municipality and must be recorded as provincially owned on the Departmental Fixed Asset Register
5. Allocation criteria	Payment on receipt of valid property rates and taxes invoice from municipality
6. Monitoring mechanism	Payment of property rates to be captured on BAS and to reconcile BAS reports with the Rates and Taxes register
7. Projected life	Ongoing through earmarked funding
8. Payment Schedule	As per rates and taxes invoice from municipality
9. Allocation	2018/19 - R364.646 million; 2019/20 - R385.066 million; 2020/21 - R406.245 million

Category	District Municipality	Demarcation code	Municipality	PUBLIC WORKS AND INFRASTRUCTURE: Allocations (R'000)					
				Provincial Financial Year			Municipal Financial Year		
				2018/19 Allocation	2019/20 Allocation	2020/21 Allocation	2018/19 Allocation	2019/20 Allocation	2020/21 Allocation
A		MAN	Mangaung	111 392	131 812	139 060	111 392	131 812	139 060
B	DC 16	FS 161	Letsemeng	2 189	2 189	2 309	2 189	2 189	2 309
B	DC 16	FS 162	Kopanong	4 356	4 356	4 596	4 356	4 356	4 596
B	DC 16	FS 163	Mohokare	199	199	210	199	199	210
B	DC 18	FS 181	Masilonyana	3 885	3 885	4 099	3 885	3 885	4 099
B	DC 18	FS 182	Tokologo	324	324	342	324	324	342
B	DC 18	FS 183	Tswelopele	1 744	1 744	1 840	1 744	1 744	1 840
B	DC 18	FS 184	Matjabeng	58 490	58 490	61 707	58 490	58 490	61 707
B	DC 18	FS 185	Nala	2 484	2 484	2 621	2 484	2 484	2 621
B	DC 19	FS 191	Setsoto	18 667	18 667	19 694	18 667	18 667	19 694
B	DC 19	FS 192	Dihlabeng	10 341	10 341	10 910	10 341	10 341	10 910
B	DC 19	FS 193	Nketoana	7 119	7 119	7 511	7 119	7 119	7 511
B	DC 19	FS 194	Maluti a Phofung	105 364	105 364	111 159	105 364	105 364	111 159
B	DC 19	FS 195	Phumelela	1 369	1 369	1 444	1 369	1 369	1 444
B	DC 19	FS 196	Mantsopa	560	560	591	560	560	591
B	DC 20	FS 201	Moqhaka	8 295	8 295	8 751	8 295	8 295	8 751
B	DC 20	FS 202	Nqwathe	9 000	9 000	9 495	9 000	9 000	9 495
B	DC 20	FS 203	Metsimaholo	8 725	8 725	9 205	8 725	8 725	9 205
B	DC 20	FS 204	Maľube	10 143	10 143	10 701	10 143	10 143	10 701
TOTAL				364 646	385 066	406 245	364 646	385 066	406 245

Schedule 4: Provincially assigned Earmarked Funding to Departments

SCHEDULE 4 (a)

PROVINCIAL ALLOCATIONS TO DEPARTMENTS EARMARKED FOR INFRASTRUCTURE DELIVERY

The following table relates to the allocation of a portion of the provincial equitable share to departments, earmarked for infrastructure delivery, of which the conditions are set out in Annexure A.

Transferring dept R'000	Type of Allocation	Name of Allocation	Purpose	Department	Column A	Column B					
					2018/19 allocation	Forward Estimates					
						2019/20	2020/21				
Provincial Treasury	General infrastructure allocation to departments	Infrastructure Enhancement Allocation (IEA)	Assist in acceleration of construction, maintenance and rehabilitation of new and existing infrastructure.	Economic, Small Business Development, Tourism & Environmental Affairs <i>of which earmarked for Constantia Park</i>	34 298 5 000	34 927	43 113 5 000				
				Health	18 847	20 276	23 847				
				Education	11 216	12 645	16 216				
				Social Development							
				Public Works and Infrastructure <i>of which earmarked for Township Revitalization (TSR) PPP Transaction Advisors (Prov Gov Building)</i>	157 496 127 387 10 000	151 122	154 696 127 387				
				Police, Roads & Transport <i>of which earmarked for Phakisa race track</i>	396 567 3 248	419 442	423 013 3 494				
				Agriculture and Rural Development <i>of which earmarked for Mohoma Mobung Karee - horticulture project</i>	100 677 60 000 9 000	102 306	106 262 60 000 7 385				
				Sport, Arts, Culture & Recreation <i>of which earmarked for Fezile Dabi stadium</i>	119 368 46 000	101 997	80 568 25 000				
				Provincial Revenue Fund	3 452	46 918	44 475				
				IEA TOTAL	IEA TOTAL	841 921	889 633	892 190			
				Revenue Enhancement Allocation (REA)	Funding towards projects which have the potential to optimize provincial revenue collection.	Provincial Revenue Fund	11 011	18 582	56 134		
				REA TOTAL	REA TOTAL	11 011	18 582	56 134			
				TOTAL PROVINCIAL ALLOCATIONS EARMARKED FOR INFRASTRUCTURE					852 932	908 215	948 324

SCHEDULE 4 (b)
PROVINCIAL ALLOCATIONS TO DEPARTMENTS EARMARKED FOR SPECIFIC
EXPENDITURE EXCLUDING INFRASTRUCTURE

The following table relates to the allocation of a portion of the provincial equitable share to departments, earmarked for specific purposes to enhance service delivery, of which the conditions are set out in Annexure A.

Transferring dept R'000	Type of Allocation	Department	Purpose /Project / Priority	Column A	Column B	
				2018/19 allocation	Forward Estimates	
					2019/20	2020/21
Provincial Treasury	Specifically earmarked allocations to departments (excluding IEA and REA)	Premier	CDWs	80 310	84 808	89 472
			Non-financial function/ HR Capacity	2 539	2 681	2 828
			Transport Economist function	4 845	5 116	5 397
			HIV and Aids function	1 179	1 245	1 313
			Harrismith logistic hub	9 000		
			Youth Affairs	1 000	1 000	1 000
			Provincial Bursaries	264 862	291 212	307 229
			Sub-total	363 735	386 062	407 239
		Economic, Small Business Development, Tourism & Environmental Affairs	Appointments of Small Business Dev	12 779	12 779	12 779
			Global Trade Bridge	5 000		5 000
			Global Trade round table		3 000	
			Waste management	2 000	2 000	2 000
			Flea market - Development and support of crafters	10 000	10 000	10 000
			Maluti SEZ (FDC)	20 000	20 000	20 000
			Youth Enterprise Inovo (Rural Enterprize)	18 000	18 000	18 000
			Radical ecn transformation (FDC)	20 632	23 516	23 516
			Radical ecn transformation (DESTEA)	16 068	15 000	15 000
			Flower Festival (Transfer to FSGLTA)	12 000	12 000	12 000
			Wildlife Economy	3 000	3 000	3 000
			Youth Township Revitalisation	5 000		5 000
			Free State Business Chamber	2 000	2 000	
			Free State Youth Chamber of Business *	1 000	1 000	1 000
		Sub-total	127 479	122 295	127 295	
		Provincial Treasury	Transversal commitment	9 996		
			SITA	1 000		
			Financial intervention measures	11 600	5 000	5 000
			Municipal Support Programme (MSP)	40 000	40 000	30 000
			Audit fees	5 000		
			Sub-total	67 596	45 000	35 000
		Health	Repair and maintenance of Medical Gas equipment			10 000
			Medical Depot	40 000	40 000	40 000
			Mobile Clinic Programme	56 497	56 497	59 604
			Bursaries of cuban doctors	53 686	57 336	60 489
			Sanitary towels			
			Sub-total	150 183	153 833	170 093

Transferring dept R'000	Type of Allocation	Department	Purpose /Project / Priority	Column A	Column B			
				2018/19 allocation	Forward Estimates			
					2019/20	2020/21		
Provincial Treasury	Specifically earmarked allocations to departments (excluding IEA and REA)	Education	School connectivity	17 000	17 000	17 000		
			Interventions - matric support programme	10 000	10 000	10 000		
			School transfers: Norms and Standards	12 000	14 000	14 000		
			LTSM	24 000	24 000	24 000		
			HYMATHS	19 000	19 000	19 000		
			Sanitary towels/ Dignity packs	1 572	1 572	1 572		
			Sub-total	83 572	85 572	85 572		
		Social Development	Office on the Rights of Children	1 628	1 719	1 814		
			Sanitary towels	6 000	6 000	6 000		
			Early Childhood Development	212 638	212 638	212 638		
			NAWONGO (NT)		11 910	12 547		
			Violence Against Women (NT)	11 190	15 883	16 733		
		Sub-total	231 456	248 150	249 732			
		Cooperative Governance & Traditional Affairs	Operation Clean Audit	21 563	22 771	24 023		
			Fire fighting equipment	5 000	5 000	5 000		
			Water laboratory municipal support	5 000	5 000	5 000		
			Municipal Support Programme	15 000	20 000	20 000		
			Transfer to Maluti a Phofung	3 000				
		Sub-total	49 563	52 771	54 023			
		Public Works & Infrastructure	Property Rates and Taxes	364 646	385 066	406 245		
			Sub-total	364 646	385 066	406 245		
		Police, Roads & Transport	Learner Transport	50 000	50 000	50 000		
			Biometrics & CCTV camera	5 000	5 000	5 000		
			Biometrics (Fidel Castro and OR Tambo buildings)	10 000	10 000	10 000		
			Cash in Transit	20 020	20 273	20 536		
			Post office	3 600	3 600	3 600		
		Sub-total	88 620	88 873	89 136			
		Agriculture & Rural Development	Army worms	3 200				
			Disaster	6 000	6 000	6 000		
			Sub-total	9 200	6 000	6 000		
		Sport, Arts, Culture & Recreation	Arts and Culture (Macufe)	37 000	38 000	39 000		
			Artists	4 000	4 000	4 000		
			Photographers	4 000	4 000	4 000		
			Community radio stations	3 000	3 000	3 000		
			Arts and Culture programmes	5 000	5 000	5 000		
			Community Sport Outreach Programme	2 000	2 000	2 000		
			Sport Equipment and Attire	2 000	2 000	2 000		
			Interdepartmental Choir competition	780	780	780		
		Sub-total	57 780	58 780	59 780			
		Human Settlements	Demolition and construction of 2 roomed houses	31 000	31 000	31 000		
			Top up of military veterans	10 000	15 000	15 000		
			Sub-total	41 000	46 000	46 000		
		Provincial Revenue Fund			2 164	8 309		
		TOTAL PROVINCIAL EARMARKED ALLOCATIONS (EXCL INFRASTRUCTURE)				1 634 830	1 680 566	1 744 424

Annexure A:

Detailed frameworks on Schedules 4(a) and 4(b) earmarked allocations to Departments

Introduction

This annexure provides a brief description of the framework for earmarked allocations set out in Schedules 4(a) and 4(b). The following key areas are considered for these allocations:

- Purpose and measurable objectives
- Conditions
- Reason not incorporated in equitable share
- Monitoring mechanisms
- The projected life
- MTEF allocation
- Process for approval of Business Plans

The attached framework is published in order to provide more information to Parliament, legislatures, municipal councils, officials in all three spheres of government and the public.

Infrastructure- and Revenue Enhancement Allocations	
Transferring Department	<ul style="list-style-type: none"> • Provincial Treasury
Purpose	<ul style="list-style-type: none"> • Assist in acceleration of construction, maintenance and rehabilitation of new and existing infrastructure in Economic, Small Business Development, Tourism & Environmental Affairs, Health, Education, Public Works and Infrastructure, Police Roads & Transport, Agriculture and Rural Development, and Sport Arts Culture & Recreation. • Optimizing/ Enhance revenue generation and improve revenue collection methods in the province. • Enhance capacity to deliver on infrastructure exclusively for provincial related projects other than the municipalities and national government.
Measurable objectives/ outputs	<ul style="list-style-type: none"> • Number of buildings, libraries, tourism resorts, agricultural sites and roads constructed and maintained. • Establishment of—(i) effective revenue collection systems (ii) Development of electronic booking system (iii) Development of effective debt collection mechanism (iv) Repair and upgrade of registration authorities and properties.
Conditions	<ul style="list-style-type: none"> • Departments are required to submit detailed business plans and or feasibility studies prior to the implementation of the project/ programme where applicable. • Departments must comply with the conditions of the amended Provincial Revenue Enhancement Strategy. • Spending on Revenue Enhancement Allocation (REA) Projects by the departments must be in line with the proposals sent by departments including timeframes. • The Infrastructure Enhancement Allocation must only be utilized for infrastructure purposes, for the projects approved in the provincial department's project list.

- The REA budget is earmarked for enhancement of revenue projects and departments must identify the programme which will account for it and it must be clear in the system.
- In instances where departments have utilized these funds for purposes other than stipulated in this framework and failed to inform the Provincial Treasury accordingly, the expenditure will be treated as unauthorized.
- Changes to the approved infrastructure list must be signed off by the affected MEC(s) where after approval will be granted by the MEC for Finance. The following process must be followed:
 - ~ Approved amendment by the Departmental MEC must be submitted to Provincial Treasury as per Free State Financial Management Amendment Act of 2016 (Act nr 4 of 2016).
 - ~ The amendment(s) must be submitted to Provincial Treasury for analysis and the creation of the changes in SCOA.
 - ~ Provincial Treasury will provide the final approval as soon as signed by the MEC for Finance.
 - ~ Provincial Treasury will communicate the response to the department within 14 days.
- Departments must conduct site visits together with the Provincial Treasury on quarterly basis.
- Departments must attend Provincial Infrastructure Progress Review Meetings.
- Departments must report all infrastructure expenditure funded by these allocations through Project, Asset and Infrastructure Segments in SCOA.
- Departments must maintain up to date databases of all contracts that are funded by these allocations that is compliant with the Register of Projects and i-Tender system. Non-compliance with this requirement may result in the withholding of funds.
- Submission of draft U-Amp, which include organizational support plan for 2018/19 in the prescribed format by 31 July 2018, or any other date as determined by Provincial Treasury.
- Submission of quarterly performance reports as well as report on physical progress with implementation of infrastructure projects to the Provincial Treasury within 30 days after the end of each quarter (refer to Division of Revenue Bill 2018, (Bill nr. 2 of 2018) section 11(4)).
- Submission of monthly expenditure reports required in terms of section 40(4)(c) of the Public Finance Management Act to the Provincial Treasury. Reported information should cover the full infrastructure budget in the department, not only these allocations.
- Submission of a performance report on infrastructure spending within two months after the end of the 2018/19 financial year in the format determined by National Treasury (refer to Division of Revenue Bill 2018, (Bill nr. 2 of 2018) section 11(6)).
- Any earmarked allocation or a portion thereof, which is not spent at the end of the financial year, must revert to Provincial Revenue Fund (PRF). Unspent funds must be surrendered to the Provincial Treasury by 31 May each year or any other date as determined by Provincial Treasury.
- In cases where new infrastructure and/or the upgrading of existing infrastructure are paid from the Infrastructure Enhancement Allocation, the allocation may also be used for the payment of related furniture and equipment to ensure the operationalization of such infrastructure.
- Although expenses in relation to the related furniture and equipment may still be classified as Capital Expenditure, care should be taken with the classification of these assets as "movable assets" which is non-infrastructure whereas the actual immovable assets are classified as infrastructure.

Reason not incorporated in equitable share	<ul style="list-style-type: none"> • These allocations ensure that departments give priority to infrastructure maintenance, rehabilitation, upgrading, construction, support and accelerated and shared growth initiatives in line with Government priorities. • The Revenue Enhancement Allocation (REA) is capped at a maximum of 5 per cent of the total provincial revenue budget and must only be used to enhance revenue related projects.
Monitoring mechanisms	<ul style="list-style-type: none"> • Departments are required to submit detailed monthly and quarterly reports which capture the full details of the projects including the allocation for the year, capacity to deliver, the expenditure for the period in question and on outputs achieved. • Departments should conduct regular site visits to revenue projects together with Provincial Treasury. • Provincial Treasury reserves the right to withhold or suspend departmental allocations in cases where departments fail to adhere to conditions of Revenue and Infrastructure Enhancement Allocation.
Projected life	<ul style="list-style-type: none"> • To be reviewed every year
MTEF allocation	<ul style="list-style-type: none"> • IEA: 2018/19: R841.921 million; 2019/20: R889.633 million; 2020/21: R892.190 million • REA: 2018/19: R11.011 million; 2019/20: R18.582 million; 2020/21: R56.134 million
Process for approval of 2019/20 business plans	<ul style="list-style-type: none"> • U-Amp is drafted according to prescribed format. • Draft U-Amp for departments that are targeted by the allocation are submitted to Provincial Treasury by 31 August 2018 or a date to be determined by the Provincial Treasury as per provincial budget process. • Provincial Treasury reviews plans and give feedback to departments: 31 October 2018 or a date to be determined by the Provincial Treasury as per provincial budget process. • Final approval of provincial U-Amp by Provincial Treasury: 1 April 2018 • The Revenue Enhancement Allocation bidding will follow the same process than the expenditure budget, which will also include monitoring and approval.

Earmarked Allocations	
Transferring Department	<ul style="list-style-type: none"> Provincial Treasury
Purpose	<ul style="list-style-type: none"> Assist in implementation of provincial government priorities. Enhance capacity to deliver on government priorities for provincial related projects other than infrastructure projects.
Measurable objectives/ outputs	<ul style="list-style-type: none"> Improved service delivery and access to government services. Spending in line with the submitted business plans. Contribution of the projects/ programmes to the overall Provincial development objectives (FSGDS).
Conditions	<ul style="list-style-type: none"> Departments are required to submit detailed business plans and or feasibility studies prior to the implementation of the project/programme where applicable. The Earmarked Allocations can only be utilized for purposes listed in Schedule 4(b). In instances where departments have utilized these funds for purposes other than stipulated in this framework and failed to inform the Provincial Treasury accordingly, the expenditure will be treated as unauthorized. Departments must report all expenditure funded by these allocations separately in the relevant Fund Segment of SCOA. Requests to decrease/increase these allocations must be signed off by the affected MEC(s) where after approval will be granted by the MEC for Finance. The following process must be followed: <ul style="list-style-type: none"> ~ Detailed submission of planned amendment signed by the relevant HoD and MEC must be submitted to Provincial Treasury; ~ All necessary supporting documents as requested by Provincial Treasury, such as BAS reports, must be attached to the submission; ~ Provincial Treasury will provide the final approval as soon as signed by the MEC for Finance. Submission of quarterly performance reports to Provincial Treasury within 30 days after the end of each quarter. Submission of monthly expenditure reports required in terms of section 40(4)(c) of the Public Finance Management Act to Provincial Treasury. Any earmarked allocation or a portion thereof, which is not spent at the end of the financial year, must be surrendered to Provincial Revenue Fund (PRF). Unspent funds must be surrendered to the Provincial Treasury by 31 May each year or any other date as determined by Provincial Treasury. * The R1 million allocated to DESTEA for Free State Youth Chamber of Business, should not be spend until further direction is provided by Provincial Treasury.
Reason not incorporated in equitable share	<ul style="list-style-type: none"> These allocations are aimed at improving service delivery in line with provincial government priorities.
Monitoring mechanisms	<ul style="list-style-type: none"> Departments are required to submit detailed monthly and quarterly reports which capture the full details of each earmarked allocation for the year, the expenditure for the period in question and outputs achieved. Provincial Treasury and the relevant departments must conduct physical inspections where applicable. Provincial Treasury reserves the right to withhold or suspend departmental allocations in cases where departments fail to adhere to the conditions of the earmarked funds.
Projected life	<ul style="list-style-type: none"> To be reviewed every year
MTEF allocation	<ul style="list-style-type: none"> 2018/19: R1.635 billion; 2019/20: R1.681 billion; 2020/21: R1.744 billion

Schedule 5: Transfers to Public Entities

SCHEDULE 5

PROVINCIAL ALLOCATIONS TO PUBLIC ENTITIES, INCLUDING FUNDS EARMARKED FOR SPECIFIC EXPENDITURE

The following table relates to the allocation of a portion of the provincial equitable share to Public Entities, including funds earmarked for specific purposes to enhance service delivery.

Transferring dept R'000	Type of Allocation	Purpose	Department	Project / Priority	Column A	Column B	
					2018/19 allocation	Forward Estimates	
						2019/20	2020/21
Economic, Small Business Development, Tourism & Environmental Affairs	Specifically earmarked allocations to entities	Market tourism	Free State Development Corporation (FDC)	Total transfer to the entity	42 833	44 124	45 726
				<i>of which earmarked for:</i>			
				Maluti SEZ	20 000	20 000	20 000
				Radical ecn transformation	20 632	23 516	23 516
				Sub-total	42 833	44 124	45 726
	Regulate gambling and liquor industry in the province	Free State Gambling, Liquor and Tourism Authority (FSGLTA)	Total Transfer to the entity	112 327	117 775	124 253	
			<i>of which earmarked for:</i>				
			Flower Festival	12 000	12 000	12 000	
			Sub-total	112 327	117 775	124 253	
			Total Transfers to the entities	155 160	161 899	169 979	

PROVINCIAL GAZETTE
(Published every Friday)

All correspondence, advertisements, etc. must be addressed to the Officer in charge of the Provincial Gazette, P.O. Box 517, Bloemfontein, Tel.: (051) 403 3139. Free Voucher copies of the Provincial Gazette or cuttings of advertisements are NOT supplied.

Subscription Rates (payable in advance)

The subscription fee for the Provincial Gazette (including all Extraordinary Provincial Gazettes) are as follows:

SUBSCRIPTION: (POST)

PRICE PER COPY	R 27.00
HALF-YEARLY	R 678.00
YEARLY	R 1 356.00

SUBSCRIPTION: (OVER THE COUNTER / E-MAIL)

PRICE PER COPY	R 19.00
HALF-YEARLY	R 470.00
YEARLY	R 940.00

Stamps are not accepted

Closing time for acceptance of copy

All advertisements must reach the Officer in Charge of the Provincial Gazette **not later than 08:00 (Tuesday), three working days** prior to the publication of the Gazette. Advertisements received **after 08:00 on the Tuesday of the publication week**, will be held over for publication in the issue of the following week, or if specifically requested by the advertiser, will be published as a "Special Publication". In such cases, the advertisement must be delivered to the Officer in Charge **not later than 12:00 on the Thursday** preceding the publication of the Gazette and double rate will be charged for that advertisement. No advertisements will be received and published on the same day, unless accompanied by a direct instruction from the top levels of the management of that department / institution.

A "Late Advertisement" will not be inserted as such without definite instructions from the advertiser.

Advertisement Rates

Notices required by Law to be inserted in the Provincial Gazette: **R 34.00** per centimeter or portion thereof, single column.

Advertisement fees are payable in advance to the Officer in charge of the Provincial Gazette, P.O. Box 517, Bloemfontein, 9300, Tel.: (051) 403 3139.

NUMBERING OF PROVINCIAL GAZETTE

You are hereby informed that the numbering of the Provincial Gazette /Tender Bulletin and notice numbers will from 2010 coincide with the relevant financial year. In other words, the chronological numbering starting from one will commence on or after 1 April of every year.

Printed and published by the Free State Provincial Government

PROVINSIALE KOERANT
(Verskyn elke Vrydag)

Alle korrespondensie, advertensies, ens. moet aan die Beampste Belas met die Provinsiale Koerant, Posbus 517, Bloemfontein, Tel.: No. (051) 403 3139 geadresseer word. Gratis eksemplare van die Provinsiale Koerant of uitknipsels van advertensies word NIE verskaf nie.

Intekengeld (vooruitbetaalbaar)

Die intekengeld vir die Provinsiale Koerant (insluitend alle Buitengewone Provinsiale Koerante) is soos volg:

INTEKENGELD: (POS)

PRYS PER EKSEMPLAAR	R 27.00
HALFJAARLIKS	R 678.00
JAARLIKS	R 1 356.00

INTEKENGELD: (OOR DIE TOONBANK / E-POS)

PRYS PER EKSEMPLAAR	R 19.00
HALFJAARLIKS	R 470.00
JAARLIKS	R 940.00

Seëls word nie aanvaar nie.

Sluitingstyd vir die Aannee van Kopie

Alle advertensies moet die Beampste belas met die Provinsiale Koerant bereik **nie later nie as 08:00 (Dinsdag), drie werksdae** voordat die Koerant uitgegee word. Advertensies wat na **08:00 op die Dinsdag van die publikasie week** ontvang word, word oorgehou vir publikasie in die uitgawe van die volgende week, of as die adverteerder dit verlang, sal dit geplaas word in 'n "Buitengewone Koerant". In sulke gevalle moet die advertensie aan die Beampste oorhandig word **nie later nie as 12:00 op die Donderdag** voordat die Koerant gepubliseer word en dubbeltarief sal vir dié advertensie gewra word. Geen advertensies sal gepubliseer word op die selfde dag as ontvangs, indien daar nie 'n skriftelike versoek van die topbestuur van daardie departement / instansie ontvang is nie.

'n "Laat Advertensie" sal nie sonder definitiewe instruksies van die Adverteerder as sodanige geplaas word nie.

Advertensietariewe

Kennisgewings wat volgens Wet in die Provinsiale Koerant geplaas moet word: **R 34.00** per sentimeter of deel daarvan, enkel-kolom.

Advertensiegelde is vooruitbetaalbaar aan die Beampste belas met die Provinsiale Koerant, Posbus 517, Bloemfontein 9300, Tel.: (051) 403 3139.

NOMMERING VAN PROVINSIALE KOERANT

U word hiermee in kennis gestel dat die nommering van die Provinsiale Koerant / Tender Bulletin en kennisgewingnummers vanaf 2010 met die betrokke boekjaar sal ooreenstem. Met ander woorde, die kronologiese nommering beginnende met een, sal op of na 1 April van elke jaar begin.

Gedruk en uitgegee deur die Vrystaatse Provinsiale Regering