

The year '2023' is displayed in a white, clean sans-serif font. The zero is replaced by a white silhouette of a person in mid-stride, running to the right. The background is a vibrant gradient from orange at the top to green at the bottom, with a large, semi-transparent '2023' graphic overlaid in the center. The '2' and '0' are yellow, while the '2' and '3' are green. The '0' contains a white running figure silhouette. The background also features faint silhouettes of a person with arms raised, a group of people, a woman with a book on her head, and an open book at the bottom.

INYATHELO ANNUAL REPORT
A YEAR IN REVIEW

The best way to find
yourself is to lose yourself
in the service of others.

MAHATMA GANDHI



Inyathelo, the South African Institute of Advancement, champions the science of resource mobilisation in support of a vibrant democracy in South Africa.





CONTENTS

03	Strategic objectives
04	Donors 2022-2023
05	Message from the Chairperson
06	Inyathelo Trustees
07	Message from the acting Executive Director
10	Inyathelo Staff
11	Reviewing the path of Inyathelo after its 20th year milestone
14	Reflecting on years of collaboration
15	Tributes
17	Towards rebuilding the South Africa we want: Unmuting civil society for sustainability, resilience, and social transformation
19	Compliance and impact of deregistration on the non-profit sector
21	Equipping non-profit board members to fulfil their roles
24	The importance of capacity building for non-profit board members
26	Inyathelo Civil Society overview
30	Degrees of disarray: Universities grapple with governance crisis
32	Revisiting third stream income discourse
34	Annual Survey of Philanthropy in Higher Education
36	Inyathelo Higher Education overview
38	The critical role of philanthropy in driving African resilience and innovation
40	Planning ahead for long-term sustainability and resilience
42	Sustainability of philanthropy
44	Inyathelo Philanthropic overview
45	The importance of mental health in the non-profit sector
47	The imperative of good governance in funder-grantee partnerships
49	Inyathelo Operations overview
53	Voice and visibility
56	Finance overview
58	Annual financial statements



Inyathelo marked two decades of making a difference, at a birthday celebration in December 2022.





INYATHELO'S STRATEGIC OBJECTIVES

Our vision

Ethical, inclusive, robust, and sustainable public interest organisations working to increase social justice and eliminate poverty and inequality, supported by a strong philanthropic movement.

Our mission

- Inyathelo is committed to the establishment of a strong democracy and stable civil society in South Africa and the African continent. We work with non-profit organisations, education institutions, philanthropists, corporates, governments, and international agencies and play a key role in advocating for social justice and ethical governance.
- We contribute to skills development and research that underpins sustainable organisations in civil society. Inyathelo provides high-quality training, and supports collaboration, innovation and professionalism in resource mobilisation, grant seeking and grant management.
- We create enabling environments by providing support services, information sharing and dialogue, encouraging government, corporate and individual giving, thereby growing sustainable philanthropic ventures with lasting impact.



Inyathelo is experienced by the Higher Education sector as a trusted partner for growing Advancement capacity and achieving third stream income and sustainability goals.



THANK YOU!



Your belief in our
cause inspires us.

DONORS 2022-2023

We would like to extend our heartfelt gratitude to our generous donors who have shown support for Inyathelo. Your kindness has allowed us to continue our vital work, and your belief in our cause inspires us. Thank you.

Grant Foundation Support

The DG Murray Trust
The Ford Foundation
The Kresge Foundation

The RAITH Foundation
US Embassy through United States-South Africa
Higher Education Network

Donors of Inyathelo

Feryal Domingo
Gerald Fox - The Percy Fox Foundation
Soraya Joonas

ADAPTING TO CHANGE: INYATHELO'S JOURNEY OF IMPACT AND EVOLUTION

Dr Russell Ally

CHAIRPERSON, INYATHELO BOARD OF TRUSTEES



Institutions, like living organisms, must adapt to changing circumstances and environments in order to ensure their continued existence. Failure to do so can imperil their very purpose and relevance. Inyathelo, an organisation that recently celebrated its 20th anniversary, serves as a prime example of an institution that has undergone shifts and changes, while consistently making a significant impact.

Throughout its tenure, Inyathelo has made remarkable contributions. Introducing and promoting the concept of Advancement has had a profound impact on the sustainability of civil society and higher education institutions. Another major contribution has been fostering the growth of personal giving in the philanthropic sphere. Recognising the importance of social justice, the organisation has oriented its efforts towards promoting a more equitable society. Inyathelo has also played a crucial role in legislation, recently coordinating and refining input on proposed changes to the NPO Amendment Bill.

As Inyathelo embarks on the next phase of its journey, it finds itself at a critical juncture. The organisation is now engaged in thorough discussions, involving stakeholders who share a common vision of preserving Inyathelo's core principles.

While the mission remains as important as at the time of the organisation's inception, Inyathelo understands the necessity of adapting to evolving circumstances. As the country approaches general elections in 2024, the

political and social landscape may undergo significant changes. This may pose new challenges for the non-profit sector. This moment is opportune for Inyathelo to reflect on its past, present, and future. The Board recognises the need to be proactive and ready for change, ensuring the organisation maintains a position of strength. Times change, and the organisation is keenly aware of the importance of adapting in a timely manner.

Inyathelo's journey exemplifies the necessity for institutions to evolve and adapt in order to thrive. With its rich history of accomplishments and ongoing commitment to promoting sustainability, Inyathelo is poised to navigate the uncharted territory of the future, equipped with the necessary flexibility and foresight to remain fit for purpose. By leveraging its expertise and embracing transformation, Inyathelo can serve as an inspiring example of an institution that continues to make a profound impact while actively preparing for the challenges that lie ahead.

I express my confidence in Inyathelo's ability to adapt as needed in order to remain relevant and effective, irrespective of the future's uncertainties.



Inyathelo's journey exemplifies the necessity for institutions to evolve and adapt in order to thrive.



INYATHELO TRUSTEES

We extend our gratitude to the trustees of Inyathelo, whose support and counsel behind the scenes help guide our organisation. Their stewardship and strategic insight have supported us in fulfilling our mission, and we greatly appreciate their time and expertise shared so generously.

From left to right: Dr Russell Ally (Chairperson), Merlinda Abrahams (Secretary). *Below,* Israel Noko (Treasurer) and Viola Manuel (HR Chairperson).



The Board recognises the need to be proactive and ready for change, ensuring the organisation maintains a position of strength.





20 YEARS OF RESILIENCE AND SERVICE TO THE SECTOR

Feryal Domingo

ACTING EXECUTIVE DIRECTOR, INYATHELO



I stepped into the role of acting Executive Director on 15 August 2023. This was not an unfamiliar space as, together with Finance Director Soraya Joonas, we have managed the organisation during past leadership hiatuses during my ten year tenure. What was required was a cool, calm head, a high level of emotional intelligence, and the ability to keep navigating forward despite the many challenges we faced.

It required confidence to appear at meetings and on unfamiliar platforms, but I kept reminding myself that the show had to go on with the cast of talented actors in our midst. It is always a challenge when you must fulfil numerous roles, especially in an organisation as unique as Inyathelo – a one-of-a-kind resource to the civil society sector.

We drew on our flat human resources structure, enabling a high level of participation by our small team of committed individuals. They rose to the challenge, enabled by their experience, length of service, and fine understanding of both the organisational mission and of the sector. I feel strongly that the adoption of a coaching leadership style contributed to a strong team culture. Staff participated in content and material development, delivered training, and were involved in resources mobilisation, thereby increasing their skills and knowledge. This was advantageous for both Inyathelo and its constituents.

Robust leadership is certainly essential for navigating the complex landscape of the non-profit sector.

Non-profits must grapple with a myriad of challenges in the external environment, from compliance and good governance to shifting societal needs and donor expectations. In addition, leaders provide stability and continuity within the organisation. It's about stewarding the team, paying attention to the moods and morale of the staff, encouraging cooperation and communication to benefit everyone.

Operational overview

In operational terms, most of our activities took part in the Inyathelo Civil Society Sustainability Hub, a physical space that we are immensely proud of. This is the only physical resource hub in the southern hemisphere serving the needs of civil society, including higher education, philanthropy, and service providers to the non-profit sector. Sourcing financial resources to maintain and sustain these offerings has, however, been a major challenge. Inyathelo has addressed this with a high degree of success. Inyathelo operates a mixed income model, and has processes in place to utilise its human, financial and physical resources for successful income generation. This model has helped to build a substantial reserve "for a rainy day".

Capacity building

One of our strategic goals is to play a significant role in providing a platform to professionalise the sector. In so doing, we supported the development

of a postgraduate diploma in Resource Mobilisation and Philanthropy, working with the Centre on African Philanthropy and Social Investment [CAPSI] at the University of the Witwatersrand. This accredited course is offered through the Wits Business School. While the programme is of a high standard, and is costed accordingly, participation has been limited given budget constraints within the non-profit sector. We would like to find solutions to enable greater access, and encourage support from philanthropic funders, corporates, and other interested parties.

Given that newly developed educational offerings are emerging, focusing on the same market, we continued our close engagement with higher education institutions, to retain interest in Advancement work,

Virtual offerings

Due to the recent pandemic, in-person gatherings and capacity building workshops and convenings were reduced. It became essential to convert our offerings to virtual webinars. This has proved to be hugely successful in increasing our reach. In-person-training has also picked up in recent months. Some donors and foundations have also responsibly shifted their financial support to capacity building and strengthening interventions, to ensure that their grantees have the tools and plans in place to mitigate future sustainability risks. We have developed bespoke training which has been enthusiastically received.

Collaboration

We don't work in isolation when serving the sector but participate in several collaborative platforms such as the Non-Profit Service Providers' Network, Kagiso Trust's Unmute Civil Society group, and the NPO Working Group, amongst others. We have partnered with umbrella body USAf, serving higher education institutions, and worked alongside several philanthropy partners.

Financial resilience

Based on our own track record and success in building a financial reserve, Inyathelo developed resources and material to strengthen social justice

organisations and help them put plans in place for their sustainability so that their constituents could continue to receive the services they rely on. We have experienced an uptick in demand for governance training and financial resilience training.

Legal compliance

Non-profits are bound by laws and regulations, that are often reviewed, updated, and changed. Inyathelo plays a role in these revisions by monitoring and facilitating convenings to share progress with the broad sector.

Inyathelo also serves on various committees and task teams, providing guidance and input. These include the Presidential Social Sector Summit, the Policy Framework on NPOs, and the FATF Sectoral Risk Assessment Oversight Committee. Inyathelo is also an implementing member of the FATF Risk Assessment, the Voluntary Association focus group team.

Committed teamwork

The Inyathelo staff have displayed tremendous resilience by staying the course while the organisation navigated through choppy waters. I thank them for their unwavering commitment.

I also express my sincere appreciation to the Inyathelo Board of Trustees who have gone above and beyond their responsibility to exercise their duties of care, loyalty, and obedience.

In conclusion, the breadth and scope of Inyathelo's work is crucial to the sector. We have been resilient and adaptable to its needs throughout the past 20 years. Inyathelo is regarded as, and continues to be sought out as, a structured, supportive, credible, knowledgeable, and resourceful organisation. In clients' words "Inyathelo is a force for good".

Over the course of its lifespan, Inyathelo has embraced healthy change. We have been on a trajectory of inviting and absorbing the new, and responding by adjusting and adapting for the good of the sector. We are committed to continuing along this path of refreshing and renewing.

Civil Society Affiliations 2022-2023



CIVIL SOCIETY CLIENTS			
Afesis-corplan	Eziko Cooking and Catering Training Centre	Maqhelikaze Kitchen [Mfuleni]	Site B Khayelitsha CAN
Afri Community Action Network Volunteers Africa	FoodForward SA	Masiphumele Kitchen [Mfuleni]	Site C CAN
		MD Capital	SOS Coalition
amaBhungane Centre for Investigative Journalism	Global Initiative against Transnational Organized Crime	Meals on Wheels	Swift Geospatial
Association for Rural Advancement	Goodwood CAN	Mfuleni CAN	Sync Group
	Gugulethu CAN	Mikhulu Trust	Tekano
Autism Western Cape	H18 Foundation	Mining Affected Communities United in Action	Tambo Village CAN
Bhekisisa	Hanover Park CAN	Mitchells Plain CAN	The Black Sash
Black Sash	Harare CAN	My Vote Counts	The Career Practice
Bonteheuwel CAN	Heideveld CAN	New Crossroads CAN	Nature's Valley Trust
Book Dash	Hout Bay Seal Rescue Centre	Nkanini CAN	triple-P
Bridges for Music Academy	iKwa ttu	OXFAM	True Love For Christ Ministries
Cape Flats Development Association	Intervisionary /Masi CAN	Paarl CAN	Ukhokhelo Lolutsha
Centre for Applied Legal Studies	Justice Desk Africa	Pelican Heights CAN	Umbono Art Media
Centre for Child Law	Katalyst Consulting	Pendulum Consulting	University of Johannesburg
The Children's Hospital Trust	UWC and Robben Island Museum	Philippi CAN	University of South Africa [UNISA]
Crossroads CAN	Khayelitsha Hospital	Planact	UnPoison
Centre for Environmental Rights	Khayelitsha SD CAN	RAITH Foundation	Urban Concepts
Dear South Africa	Khikhi Can	Regents Business Consulting	Victory4All
DOCKDA	Kin Culture	The African Climate Foundation	Vrygrond Community Trust
Dunoon CAN	Kay Mason Foundation	South African Older Persons Forum	Winterberg School Trust
E-section CAN	Kuilsriver CAN	SADC Research Centre	Wits Journalism
Early Care Foundation	Kuyasa CAN	School of Hard Knocks	Woodstock CAN
Ekuphumeleni CAN	Langa CAN	Sustainable Seas Trust	Yes We Can
EMC - Eerste Rivier Comm	Lawyers for Human Rights	Sefako Makgatho Health Sciences University	Youth Health Africa
Employment CAN	LifeLine Western Cape	SERI	Zip Zap Circus
Endlovini CAN	Lotte Manicom		Zwelitsha CAN
Equal Education			

ASSOCIATES			
Asgar Bhikoo	Dr. Daniel Adeniyi	Meropa Communications	Dr. Samuel Fongwa
Prof. Beverley Thaver	Dr. Mark Abrahams	Ruen Govender	Turning Point Chartered Accountants

COLLABORATORS			
#Unmute CSO Coalition	Kagiso Trust	SARIMA	Food Agency Cape Town [FACT]
ASPIHE participating institutions	Non Profit Service Provider Network	Bertha Centre	Institutional Capacity Building [ICB] DSD
		Ikhala Trust	
CAPSI [Centre on African Philanthropy and Social Investment]	NPO Working Group	SGS Consulting	DSD National - NPO Registration, Support and Compliance Monitoring
	University of Pretoria	HEALA	
Guilford College	US-SA Higher Education Network		



INYATHELO STAFF

Back, left to right: Jacques Swart, Bayanda Gumbi, Hoeyaam Majiet, Jocelyn Collins, Soraya Joonas, Nomawethu Maselana, Suzanne Solomons. Front, left to right: Cassandra Smith, Feryal Domingo, Sandra de Jongh.



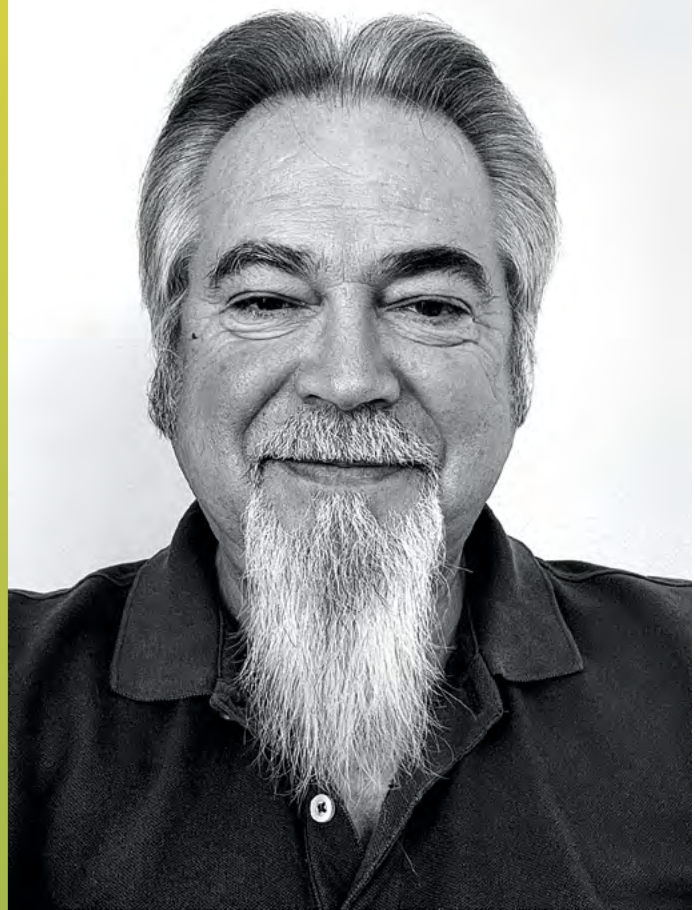
The work our staff do is not just a job; it's a calling, a mission, and it is deeply appreciated.

Inyathelo extends its heartfelt gratitude to the dedicated staff whose unwavering commitment and tireless efforts have made it possible for the organisation to thrive and make a positive impact on the organisations we serve. The work our staff do is not just a job; it's a calling, a mission, and it is deeply appreciated.

REVIEWING THE PATH OF INYATHELO AFTER ITS 20TH YEAR MILESTONE

Patric Tariq Mellet

CO-FOUNDER INYATHELO – THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT



In 2000 I left my post at Parliament, where I was Director of Public Relations working with the Speaker Dr Frene Ginwala, to join Professor Andy Sillen, the Executive Director from the USA at the UCT Development Office. I was one of a team of Directors that were working with him in implementing a new concept framed as Institutional Advancement.

Prof. Sillen was inadvertently the pioneer in South Africa of an integrated system of nurturing relationships, fundraising and development that had proven effective at large institutions and universities in the USA for raising support and funds for capital projects and development. Shelagh Gastrow was a key fundraising Director on Prof. Sillen's team. Before Prof. Sillen returned to the USA, he found the funds to send Shelagh and I to the USA to learn as much as we could about Institutional Advancement offices at leading universities, and also to look at how they ran alumni offices and giving programmes.

This also included commissioning the two of us to do a comprehensive study on 200 high-level UCT alumni in five countries abroad, as well as South Africa, on their attitudes about the university and donating funds to UCT. This was Shelagh's and my introduction to the Institutional Advancement concept, and the first seeds that led to the formation of Inyathelo – the South African Institute for Advancement.

We were both won over to the concept and enthused about applying this at the UCT Development and Fundraising Office. At the time we soon found UCT to be less convinced and enthusiastic about implementing these new ideas, and Professor Sillen decided to go back to the USA. Word got around about these new ideas of ours, and soon people from other institutions were asking us to share these ideas and methods with them. Of course, this was not something that we could do while remaining at UCT, so towards the end of 2002, Shelagh and I took a leap of faith, by leaving our jobs to create an institute that could offer training, development and nurturing of institutional clients in Institutional Advancement methodologies.

We had no money to do this and, in taking the leap of faith, we did so at great personal risk in terms of having no immediate salaries.



Together we developed the conceptual framework, modified for South Africa, created an institutional name, brand, colours, vision, mission, values, and objectives.

Together we developed the conceptual framework, modified for South Africa, created an institutional name, brand, colours, vision, mission, values, and objectives. We agreed that Shelagh would have an outward-looking role as Executive Director, focused on nurturing relationships and fundraising, and that I would be Managing Director, focused on building the image and brand, developing training materials, managing organisational matters, development, funding, resources, and personnel.

I worked closely with graphic designer Michael Daries who I had contacted to assist us in finessing the brand from the name and drawings that I had put together. From this the excellent image and branding emerged. Shelagh and I crafted all of this between October 2002 and the end of the year, including signing a contract for a wonderful set of offices in the Cape Quarter in Cape Town, and began ordering the furnishings, all while still having no certainty about a commitment of funds. Our confidence was built solely on our track record. We breathed a huge sigh of relief when Shelagh's mammoth effort – in a relatively short window period – saw the Atlantic Philanthropies providing us with a substantial seed-funding grant.

We had been doing all of this work while being accommodated by the late "Big Ben" Benny Rabinowitz, who accommodated us campers at his office in Upper Orange Street.

Once settled in the new offices we expanded to five more on our team and focused on finding further funding, finding clients, building the training programme and training materials, developing and training the team. Shelagh and I had to also do much of the initial training and creating PowerPoint presentations ourselves.



Interior of Inyathelo's original offices at the Cape Quarter.



Many clients were knocking on our door, not just in South Africa, but also across the African continent.

The concept for the Inyathelo Institute for Advancement, and the training modules for Institutional Advancement's sub-components, were in our heads, and had to be translated into practical innovations that had a strong experiential component. Thus, the birthing period was a steep learning curve where we had to craft and finesse the organisation.

Many clients were knocking on our door, not just in South Africa, but also across the African continent. The work was exciting, and we were passionately and creatively engaging in building the meat of the organisation on the bare bones of what we initiated. It was while being so engaged that Shelagh introduced the Kresge Foundation to Inyathelo and this took our work into a new orbit of success.

Our enthusiasm and passion was embraced by our whole team and the foundational grounding that underpins the successful emergence of Inyathelo was a team effort.

A united, passionate, and hard-working team together with visionary, passionate and committed leadership is the secret that I would recommend as the most important attribute for success.

But, as important, is a successful track record that draws important donors as stakeholders. Attracting donors is the offer of partnerships based on your organisation finding synergy with those who have resources and finance to offer, and want to go with you as part of their own vision and mission.

Both with Atlantic Philanthropies and the Kresge Foundation in particular, but also with other donor-partners, it is this synergy of vision and mission, common cause, and legacy footprint that Shelagh and I shared with each other and with these donors that cemented the relationship. Our whole approach was that we pursued relationships and partnerships, and did not chase money. Fundraising based on Advancement principles has this at its root, rather than going out looking for money with begging bowls.

Part of both Atlantic Philanthropies and Kresge Foundation's drive was to build capacity for increased Philanthropy in society, what we call Social Giving in South Africa. Our mutual commitment as Inyathelo to building a greater culture of social cohesion, social contribution or giving, to meet the many needs of Social Advancement in South Africa, is where we found connectivity.

The aim was that South African institutions and institutions across Africa should become less dependent on foreign donor funding, and even on state funding, by finding independence through self-help and social contribution by supporters within our countries. Universities, museums, education and training institutions, hospitals and health institutions, NGOs and CBOs cannot simply rely on charging fees and receiving state grants to sustain themselves at sufficiency levels. Our broader revenue-producing businesses and organisations, trusts, foundations and alumni, together with our community and institutional self-help efforts, all have to come together to tackle the challenges in our country. Thus, the ethos of the Inyathelo concept of Advancement was that we move away from dependency concepts of "Developer and the Developed" that underpin the "Development" paradigm, so that we embrace a "Social Advancement" paradigm incorporating growing social

contribution or social giving partnerships in South Africa. For our country to succeed, my opinion is that we need to embrace a sufficiency philosophy that moves away from the poles of vulgar bling on the one side and abject poverty on the other. Secondly, that we embrace a self-help philosophy of Social Advancement that nurtures social contribution or social giving by all across our society to break the cycles of dependency.



I believe that Inyathelo today can make a huge difference in our society by ensuring that where there is gloom and hopelessness about our country's future, we engage in strategic conversations around these philosophical concepts that were at the root of why we started down this path in 2002.

It is these philosophies that motivated me in being a co-founder of Inyathelo – the South African Institute for Advancement. I believe that Inyathelo today can make a huge difference in our society by ensuring that where there is gloom and hopelessness about our country's future, we engage in strategic conversations around these philosophical concepts that were at the root of why we started down this path in 2002.

This, to me, is the legacy that needs to be taken forward on so many levels and it has synergy with some of our greatest social activist thinkers and philosophers that have gone before us – Cissie Gool, Steve Biko, Neville Alexander, Reg September, OR Tambo, Ruth First, Nelson Mandela and others. From the small acorn planted in 2002 by Shelagh, myself, and our team, with the invaluable partnership of Atlantic Philanthropies and the Kresge Foundation, you now have a great oak tree. Look after it, nurture it and make sure that its roots go deeper and its branches grow taller and stronger. It is far more than a set of offices, people, and programmes. Inyathelo has a huge contribution to make in strengthening the social fabric of South Africa and our continent by ensuring greater embrace and extension of the founding philosophy that drove us, its founders, 21 years ago.



REFLECTING ON YEARS OF COLLABORATION

Rip Rapson

PRESIDENT AND CEO, THE KRESGE FOUNDATION

Shortly after I arrived at Kresge in 2006, Kresge launched its partnership with Inyathelo to build the Advancement capabilities in the first group of five South African institutions, enabling them to grow as engines of economic development and vibrant civil society. We've been proud in the subsequent 15 years to expand and enhance that original commitment, gradually but surely helping to fortify the kind of professional and ethical practices that would help South African higher education institutions to create a trajectory of financial health and stability.

Raising money from private sector donors is a difficult business for any organisation, but it's particularly hard for public universities. Kresge had a 25-year-history of assisting colleges and universities in the States to do that more effectively. We hoped that some of that experience, particularly with America's historically black colleges and universities, could be helpful in South Africa. So we partnered with Inyathelo to create a toolbox of supports: making consulting available, providing technical assistance, helping form networks among institutions, supplying bonus grants,

and commissioning audits. We were deeply fortunate to have at Inyathelo's helm Shelagh Gastrow, who had raised funds for the University of Cape Town and was eager to share lessons more broadly. We fashioned an initial five-year approach in which we would taper our support over time, while introducing annual milestones that would generate bonus grants as institutions met their marks. It worked. Across the cohort, we saw a threefold increase in donations from individuals, corporations and other foundations. At the University of Pretoria alone, Inyathelo helped donations jump from R3.4m in 2006 to R65m in 2010.

In 2012 Kresge invited four additional campuses to the initiative and the results there have been every bit as impressive. Beyond these remarkable successes on particular campuses, Kresge worked with Inyathelo to provide a suite of critical supports for the higher educational system across South Africa.

In 2014 Inyathelo launched the Annual Survey of Philanthropy in Higher Education. We produced 10 annual Advancement retreats for higher education leaders, affording them the opportunity to share ideas and practical insights.

We supported Inyathelo and the Business School at Wits to develop a postgraduate qualification in philanthropy, the first academic qualification of its kind in Africa.

Kresge has granted Inyathelo \$17,3m to support higher education Advancement. Inyathelo has spent every dollar wisely and strategically. It has been an absolutely remarkable partnership, one that we have been honoured to participate in.

So our congratulations on 20 years of dedication to strengthening South Africa's Higher Education system, to securing the support necessary to ensure the system's margin of excellence, and to providing indispensable ballast and acceleration to your country's trajectory to economic opportunity and social justice for all its people.



It has been an absolutely remarkable partnership, one that we have been honoured to participate in.

TRIBUTES



Noel Daniels

Inyathelo staff and associates were deeply saddened at the passing of committed educator and human rights campaigner Noel Daniels. Noel was a trustee of Inyathelo from January 2012-2017, and was a source of wisdom and experience, particularly in the fields of adult learning, leadership and management.

Noel was deeply committed to education, training and development for all, especially those who were denied access to education in the past. A former lecturer at UCT, with an M.A. in Education Administration and Management from the University of California, Berkeley, he was the CEO of the Cornerstone Institute, a not-for-profit, private higher education institution offering university-level programmes. Prior to that he was MD of The Fundamental Training Centre, providing leadership and management programmes to companies, government and communities.

Noel will be deeply missed and we extend our sincere condolences to his family, friends and associates.

We recognise passionate, dedicated leaders who have had a transformative influence on South African society and who have played a part in the growth of Inyathelo.



Eusebius McKaiser

Eusebius McKaiser, a renowned South African broadcaster, author and political commentator, was known for his significant contribution to public discourse and social commentary. His insightful and thought-provoking work helped shape important conversations about South Africa.

As a radio host, McKaiser tackled contentious and complex issues, inviting guests from various backgrounds to engage in robust debates. His ability to navigate sensitive topics with empathy, intellect and fairness made him a respected and trusted voice. His commitment to fostering dialogue and encouraging critical thinking made him a champion of free speech and democratic ideals.

Given these qualities, Eusebius was the ideal person to act as master of ceremonies at several Inyathelo leadership retreats funded by The Kresge Foundation. Beyond his media presence and writing, McKaiser was active in public forums, contributing his insights and analysis to national conversations on topics ranging from politics and social justice to gender. He had the ability to bridge divides and foster understanding among disparate viewpoints.

IMAGE SOURCE: Inyathelo



Ben Rabinowitz

Inyathelo and its associates remember, with affection and gratitude, Cape Town-based entrepreneur and philanthropist, the late Ben Rabinowitz.

Mr Rabinowitz and his late wife Shirley supported numerous organisations, projects and causes for over 50 years, spanning education, health, justice, the environment, sport and music. The co-founders of Inyathelo, for example, first worked from a room at the Rabinowitz office when setting up the organisation, and the couple's support not only encouraged them, but also many others, to follow their calling and make a difference in the lives of others. Mr Rabinowitz obtained a B.A. [with distinction] from UCT, was awarded a SACS Rhodes

Scholarship and went up to Oxford, receiving his M.A. Law. He was a board member of the Cape Philharmonic Orchestra from its inception and supported a campaign to save Oudekraal and Princess Vlei from property development. He led the Sea Front for All campaign to save the Sea Point beachfront for the community. He was also a champion of the Cape Town Press Club and supported the Peninsula Feeding Scheme and the African School Feeding Scheme for decades.

Inyathelo presented the couple with the 2009 Inyathelo Award for Lifetime Philanthropy in recognition of their contributions.

SOURCES: <https://www.cpo.org.za/new/board-of-directors-ben-rabinowitz/> and Inyathelo Lifetime Award media release.



TOWARDS REBUILDING THE SOUTH AFRICA WE WANT: UNMUTING CIVIL SOCIETY FOR SUSTAINABILITY, RESILIENCE, AND SOCIAL TRANSFORMATION

Boichoko Ditlhake

CIVIL SOCIETY SUPPORT MANAGER, KAGISO TRUST



It is no understatement that South Africa is under siege from many fronts, afflicted by corruption, violent crimes such as cash-in-transits, violation and killing of women and girl children, collapse of state institutions and governance, and service delivery failures, among others. As a result, ordinary citizens are at their wits' end as to how to effectively express their frustration and hopelessness at being left out – and have resorted to violent protests to express their fading hopes.

The majority of South Africans want our young constitutional democracy to succeed and to deliver on the post-apartheid promises of an equitable and prosperous country. For this to be realised, we need visionary, selfless and ethical leadership to address the scourge of unemployment, inequality and poverty, crime, gender-based violence, and corruption to steer resilient and sustainable growth. The question is whether we have such political leadership.

It is for this reason that active space needs to be created between progressive and democratic forces to interrogate and nurture the rebirth of the civil society sector on a solid basis. Emphasis must be placed on the role of youth and women within the sector, including CBOs and NGOs, particularly to re-establish the community organising ethos which has historically guided and anchored the progressive NGO sector.

In this context, civil society, comprising non-governmental organisations, community-based organisations, and grassroots initiatives, plays a pivotal role in shaping the course of our nation. In South Africa's quest for sustainability, resilience, and social transformation, unbridling the potential of civil society is instrumental.

The sector must promote social transformation and be a catalyst for the change needed for a successful South Africa. The sector must actively advocate for social justice. Civil society organisations must champion human rights, equality, and social justice, working to eradicate systemic discrimination and promoting inclusivity. This must include cultural revival at grassroots level through fostering a sense of identity and unity in the country.



Civil society organisations must champion human rights, equality, and social justice, working to eradicate systemic discrimination and promoting inclusivity.

For the sustainability of these initiatives, the youth must be consciously and actively engaged and empowered through education, skills-building, and leadership programmes, cultivating a new generation of informed and active citizens.

To effectively “unmute” civil society towards rebuilding the South Africa people want, certain principles should be considered:

Inclusivity:

Civil society efforts must be inclusive and representative of diverse demographics. This ensures that the rebuilding process addresses the needs and aspirations of all segments of society.

Collaboration:

Collaboration among civil society formations, government, and the private sector is crucial. This collective effort can pool resources, expertise, and influence for more significant impact.

Capacity building:

Empowering civil society organisations with the necessary resources, skills, and support enhances their ability to drive change effectively.

Advocacy and policy influence:

Civil society should be engaged in policy discussions and advocacy efforts to shape laws and regulations that align with sustainability, resilience, and transformation goals.

Long-term vision:

Sustainable change takes time. Civil society initiatives should be guided by a long-term vision, fostering progress and adaptability to changing circumstances.

It is therefore important for South African civil society to enter a new age of maturity by reflecting on the existing challenges, nationally and internally, and determine if it is fit for purpose. In the coming months leading to the national elections in 2024, our resilience and capabilities will be tested. We will be



Civil society can be a potent force in rebuilding the South Africa envisioned by its constitution.

asked where were we when our country was captured and stolen, when corruption became the new normal – and what did we do and why? Here we will hear from communities who face daily threats of violence for being different – and we will be asked – will you stand with us and protect us and help us remove the cultural and social prejudices? We will hear from our mothers, sisters and girl children who face domestic violence and sexual abuse on a daily basis – and we will be asked – where were you when we were violated and murdered, and what did you do?

We continue to live through a time of demoralising crime, economic, political, racial, class and gender schisms which are tearing our nation apart. We need moral leadership to rethink and recast our future through the renewal of our moral compass to reset South Africa and get it back to working effectively. This appeals to women and men of extraordinary courage, moral strength, selflessness, and fearless determination to unwaveringly reverse the derailment of our democratic project, and lead us to dream once again, to re-envision our future possibilities, and lay a solid foundation for the restoration of our social contract as a nation. The NGO sector is challenged to be that saviour, to do once more what it did during the darkest hours of our nation under apartheid.

It was this recognition that Kagiso Trust, during February 2022, made a call to action for the rebuilding of the NGO sector. This call led to the convening of the #Unmute Civil Society Coalition conference in November 2022. The conference was aimed at re-empowering civil society to unite to respond effectively to the existing crisis, but also to re-arm itself through unity of purpose and coordinated initiatives to address its internal challenges. The conference resolved to establish a coordination structure for the sector, and mandated an interim steering committee to go back to districts and provinces for further consultations that will result in the second consultative conference towards the formation of the sector coordination and organising spirit.

Civil society can be a potent force in rebuilding the South Africa envisioned by its constitution. By addressing issues of sustainability, resilience, and social transformation, civil society can contribute to shaping a more equitable, just, and prosperous nation. However, achieving these goals requires a concerted effort, collaboration, and a commitment to fostering positive change at all levels of society.



COMPLIANCE AND IMPACT OF DEREGISTRATION ON THE NON-PROFIT SECTOR

Abdul Raof Ryklief

DEPUTY DIRECTOR: INSTITUTIONAL CAPACITY
BUILDING, DIRECTORATE: PARTNERSHIP DEVELOPMENT,
DEPARTMENT OF SOCIAL DEVELOPMENT



The non-profit sector continues to grow in numbers in South Africa, where currently there are 276 434 NPOs registered in terms of the NPO Act (19 July 2023), compared to July 2022 where there were 260 494 NPOs.

During the last 12 months, 15 940 new registrations were approved by the National Department of Social Development. Whilst there are multiple reasons for organisations wanting to acquire an NPO number, it is important to remember that the purpose of the NPO Act, passed in 1997, was not only to create an enabling environment for NPOs, but also to set and maintain adequate standards of governance, accountability, and transparency.

Therefore, it is expected that any organisation with an NPO number upholds the values of good governance, accountability, and transparency.

It is required that all registered NPOs must annually submit a Narrative Report and Annual Financial Statements to the National DSD NPO Directorate, within nine months after the end of their financial year. By submitting these reports annually, an organisation is demonstrating good governance, accountability, and transparency.

As of 19 July 2023, 147 903 NPOs have failed to submit their reports and statements. This amounts to a 58.5 % non-compliance rate nationally.

Furthermore, the NPO Directorate has identified 56 787 NPOs, registered between 1998 -2012, that have never submitted any reports.

260 494 | NPOs registered in terms of the NPO Act in July 2022.

276 434 | NPOs registered in terms of the NPO Act in July 2023.

15 940 | New registrations were approved by the National Department of Social Development.

147 903 | NPOs have failed to submit their reports and statements as of 19 July 2023.

56 787 | NPOs registered between 1998 and 2012 have never submitted any reports.

The Know Your NPO Status Campaign encouraged organisations to comply with the requirements of the NPO Act. Once a notice has been served to organisations and they fail to address their non-compliance matters, the NPO Directorate is legally compelled to deregister an organisation.

The non-compliance and subsequent deregistration of NPOs may have a negative impact on the sector. One of the biggest concerns would be the ability to raise or access funding, as well as the sustainability and credibility of NPOs.

The immediate impact of non-compliance and deregistration would be the legal implications of being in contravention of Section 18 of the NPO Act. In addition, the organisation would have entered into various legal and contractual agreements with banks, donors, companies and government departments, where most likely the other party agreed to enter into an agreement with the NPO on the notion that they are registered and compliant. Now all these legal and contractual agreements may be compromised.



The Independent Code talks about the board's responsibility in "Ensuring Legal and Fiscal Compliance". By an organisation not complying, the board is not upholding a key performance area in terms of its roles and responsibilities. Due to the due diligence processes of donors, many organisations may eliminate themselves from the funding process due to non-adherence to NPO legislation.

Secondly, credibility and confidence are compromised when organisations fail to comply. On a macro level, NPO non-compliance damages the credibility of the sector as a whole and paints everyone with the same brush.

The ultimate consequence of non-compliance would be the reduction or loss of service delivery. NPOs were founded to fulfill a critical need and when an NPO is unable to attract and maintain resources, it may negatively impact its service delivery and leave many more South Africans vulnerable.

In conclusion, whilst the quick answer is to say non-compliance and deregistration will result in funding losses, it is important to remember that this impact goes beyond rands and cents, it impacts credibility, reputation, legal compliance, confidence, and trust. Non-profit boards have the ultimate responsibility to ensure that the NPO is well looked after and that board members equip themselves with the knowledge and skills to do their job effectively. If board members require support with NPO compliance, they must contact their closest NPO Support Service in their province.



The Independent Code talks about the board's responsibility in "Ensuring Legal and Fiscal Compliance". By an organisation not complying, the board is not upholding a key performance area in terms of its roles and responsibilities.

EQUIPPING NON-PROFIT BOARD MEMBERS TO FULFIL THEIR ROLES

Malcolm Boyd

MANAGING TRUSTEE – CEO THIRD SECTOR INSIGHTS



Corporate social investment practitioners, not only in South Africa but globally, understand that having professional, knowledgeable, competent, and dedicated governing body members of non-profit organisations (NPOs) is essential today.

The donor, funder and social impact investor community is becoming more stringent on this issue, and has made it a high priority, especially when conducting due diligence before funding NPOs. This makes it imperative that all governing body members have the correct competencies and are equipped to be more effective and efficient in the discharging of their duties on behalf of the stakeholders and, ultimately, the beneficiaries that they are privileged to serve.

The following statement is frequently heard: “We have a dysfunctional or disengaged governing body [board]...”

Although this may be an accurate statement, it may not necessarily be a fair one. Many governing body members accept a position onto a governing body with the best intent and passion for the social issue being addressed. However, most of the time when we hear the above statement, it is generally through no fault of the governing body member, but rather as a result of many factors.



It is imperative that all governing body members have the correct competencies and are equipped to be more effective and efficient in the discharging of their duties.

We regularly make the mistake of thinking that because a person has accepted a position onto ‘our board’ that they are equipped to fulfil that function. It is, therefore, incumbent upon the organisation to implement a robust board succession plan and recruitment process and ensure that there is a quality board orientation process in place. Not only does the organisation need to conduct detailed due diligence on each potential board member, but each potential board member also needs to conduct their personal due diligence on the organisation for which they are being asked to consider joining the board.

According to the Department of Social Development’s NGO register, as at the writing of this article there are 277 067¹ NPOs registered on the NPO register, and it is estimated that there could be as many as 50,000 non-registered.

Of the total number of these NPOs, 93% of these are classified as generally less formalised, community-based voluntary associations, that is they are not formally structured as non-profit companies (6%) or non-profit trusts (1%). This is according to the last Department of Social Development² - State of South African registered non-profit organisations.

All these structures are required to have some form of governing body in place, to be a registered NPO, be that a management board for a voluntary association, a board of trustees for a non-profit trust, or board of directors for a non-profit company. The average board size differs between five to twelve directors. Therefore if we are to be conservative and use an average of six governing body members per board, that would translate into a staggering 1.7 million individuals in South Africa who have a governing body role, of which over 80% of these may have had little or no corporate governance experience or training within the non-profit sector.

STEPS FOR ONLINE NPO REGISTRATION IN SOUTH AFRICA

Open the online NPO registration page.



Complete the required information that pertains to the name of the organisation, organisation type, contact details, full names of office bearers, among other things included there. Once complete, click next.

In the section for office bearers, click on Add an Office Bearer. A form to complete details for each office bearer will appear. After adding all the office bearers, be sure to type in the number of office bearers above the office bearer names. There has to be a minimum of 3 office bearers, with a maximum set by your constitution.



This section requires uploading the Founding Document (Constitution, Trust Deed or MOI) and Supporting Documents (ID Copies or any other documents relevant to the registration) in .pdf, .doc or .docx format.

The last section of the application is a declaration of authorisation to apply and correct the information provided in the application. Tick the box next to I Agree and click on the Submit button.

A reference number for the application will be provided. Keep this for any future enquiries on the status of your application. The reference number will also be sent to the Contact Person's e-mail address or cellphone.

Whose responsibility is it?

Whose responsibility is it then to ensure that each board member is equipped to fully discharge their duties? Well, it is both; however, the organisation holds the initial and primary responsibility to ensure that new members have access to all the relevant information and documentation, so that they can conduct their own due diligence in 'getting up to speed' before accepting the role.

The process of appointing new governing body members should be the culmination of a process, which started long before the positions became available. This should be a planned and well-managed succession process, starting from the understanding of the skills mix required for the next season to contribute to the organisation's strategic plan in the next three to five years. Many organisations rush this process to fill the vacant seats and generally find that this can lead to a dysfunctional and non-engaged governing body.

Therefore, take the time to thoroughly think through the process and plan accordingly, both personally and organisationally.

The process

Governing bodies are generally expected to provide orientation for their members. Volunteer governing body members contribute tremendous value to their organisation. Their commitment of time and expertise deserves a thoughtful, formal orientation programme to integrate new members into the governing body. As part of that formal orientation programme, the governing body can assign experienced governing body members to mentor new members.

Governing body orientation refers to a process for helping new governing body members contribute fully, and as early in their tenure as possible, to the work of the governing body. The following guide outlines the objectives that might be considered, who should lead the process, and how an orientation programme might be structured. Governing body orientation is not just about the transfer of information. As a result of their orientation, new governing body members should:

- Understand their roles, responsibilities, and time commitment to governance work around the governing body and committee table, and away from it;

Key priorities for board effectiveness and governance

- 1 Board diversity
- 2 Board independence
- 3 Competencies and skills
- 4 Board leadership
- 5 Effective communication and collaboration
- 6 Board evaluation and refreshment
- 7 Strategic oversight and risk management
- 8 Ethical and responsible conduct



- Be aware of the current goals, opportunities and challenges facing the organisation;
- Be aware of who the organisation's main stakeholders are including members, funders, clients, partners, the public, volunteers as well as staff;
- Have some sense of how their own background, knowledge, experience and skills will contribute to the current work of the governing body and the goals of the organisation, in line with the strategic plan;
- Appreciate the background, knowledge, experience, and skills of each of the other governing body members;

- Know how governing body meetings are run, decisions are made and what formal governing policies and practices exist; and
- Appreciate how this governing body functions similarly or differently to other governing bodies they have served on, or are currently serving on.

Governing body orientation ought to begin when a person is being considered as a potential governing body member. At the very least, the recruitment and application process should assist a new governing body member in understanding:

- Why their expertise and skills, and which ones in particular, would be valuable assets to the governing body and to the organisation;
- Some of the current challenges and opportunities facing the organisation;
- The time commitment required of them; and
- That the organisation is competently run, including sound financial management.

To this end, board composition is seen as a critical success factor for board effectiveness. In addition to board composition, there are several other critical factors that are considered important for board effectiveness and governance. Here are eight key priorities:

1. Board diversity;
2. Board independence;
3. Competencies and skills;
4. Board leadership;
5. Effective communication and collaboration;
6. Board evaluation and refreshment;
7. Strategic oversight and risk management; and
8. Ethical and responsible conduct.

These factors contribute to board effectiveness and are considered critical good governance practices. However, it's important to note that specific priorities may vary depending on the social issue being addressed, organisation size, and jurisdiction.

References

- 1 Department of Social Development's NPO register – <http://www.npo.gov.za/>
- 2 Department of Social Development – State of South African registered Non-Profit organisations 2015/2016. Page 10.

THE IMPORTANCE OF CAPACITY BUILDING FOR NON-PROFIT BOARD MEMBERS

Mandisa Zitha

FESTIVAL DIRECTOR, ENCOUNTERS TRAINING AND DEVELOPMENT INSTITUTE



The Encounters Training and Development Institute organises the annual Encounters South African International Documentary Festival. Now in its 25th year, Encounters has an established reputation locally and globally, as well as the trust of distributors, filmmakers, and audiences. The Festival has built strong networks over the years and is the launchpad of African documentaries to the world.

The Festival is well-known for its expert curation of African and international documentaries and brings a selection of the best titles worldwide to local audiences every year. Encounters continues to play an integral role in building the documentary industry and documentary culture in Africa. The hundreds of documentaries screened at Encounters have challenged audiences and filmmakers alike. The Festival has also created a safe and important space for debate in our Democracy.

The Festival, co-founded by Steven Markovitz and Nodi Murphy, operated as a close corporation, with the idea to create a space with clear outcomes, productions, and work for the documentary community. The CC was not an ideal vehicle for the Festival, and legal advice was sought to develop a not-for-profit – Encounters Training and Development Institute, with a constitution and co-option of the first board, comprising a wide breadth of skills in film, academic and legal expertise. Through the NGO, the organisation's mission encompassed the growth



The governance training would provide the board with a framework of what needs to be discussed in the strategic planning workshop and capacitate them prior to the vision mapping journey.

of the documentary space, expansion and diversity of audiences, and training and development for practitioners at all levels.

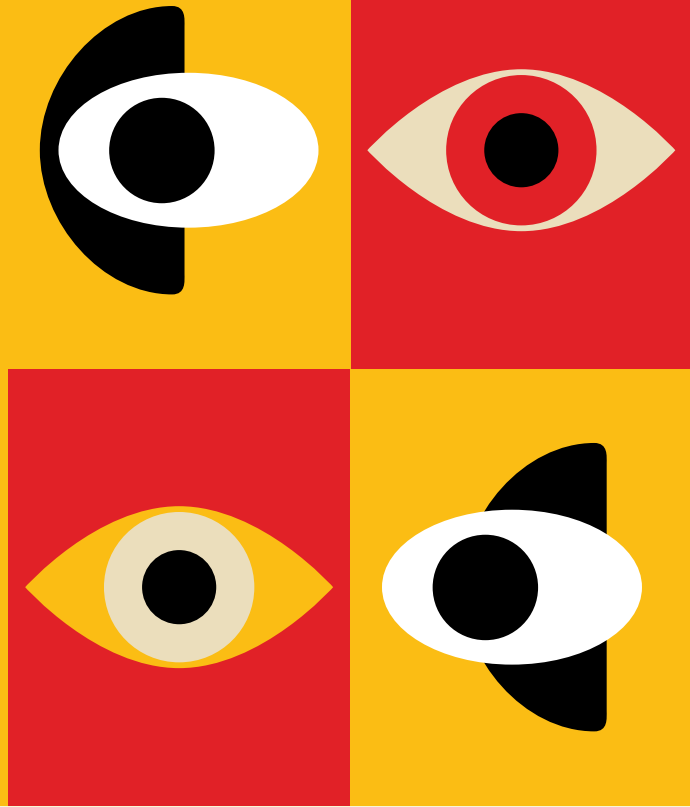
The Encounters Training and Development Institute recently approached Inyathelo to provide the organisation with governance training. The programme would be a precursor to the organisation's upcoming strategic planning process, and was aimed at ensuring that the board members are aligned in the vision for the future. The governance training would provide the board with a framework of what needs to be discussed in the strategic planning workshop and capacitate them prior to the vision mapping journey.

Inyathelo designed a two-day programme, held virtually to accommodate all board members' busy schedules, providing clarity on key governance concepts and responsibilities, and good practice in improving relationships between the governing body and executive leadership.

ENCOUNTERS

22 June -
02 July 2023

25th South African
International
Documentary
Festival
encounters.co.za



Over the years Encounters' success has been limited by the challenges of financial sustainability due to a variety of reasons, including changes in the funding landscape and shortages in operational funding. The organisation has not maintained solid corporate governance, board roles were not defined, and there was a need to differentiate between policy and operations.

The governance training offered by Inyathelo provided Inyathelo had constructive engagement capacity training in the following areas: The third sector landscape; the concept of governance; NPO organisational structures; roles and responsibilities, and standards of conduct for directors; board committee terms of reference and composition; codes of good practice and their relevance to each structure; board effectiveness; the chairperson's duties; the five phases of growth of an organisation; and key corporate governance roleplayers. The resources gained were imperative in preparing the board for



The training helped the individual board members to understand their roles within the organisation, based on their strengths and competencies, and to build a stronger vehicle for Encounters.

6,097 | Total festival attendance

94 | Number of Screenings

14 | Festival venues

35 | Features

19 | Shorts

9 | World premieres

32 | SA/African premieres

the strategic planning mission, which achieved the outcome of the development of a five-year plan. The training helped the individual board members to understand their roles within the organisation, based on their strengths and competencies, and to build a stronger vehicle for Encounters. This was a significant morale booster that energised both board members and the organisation's team.

Encounters is now firmly placed to advance the current focus of the Encounters Training and Development Institute for the benefit of South African documentary practitioners. The board members and organisers of Encounters are committed to meeting the mandate of

CIVIL SOCIETY OVERVIEW



Civil society is a key partner in a democracy. Its structures form a powerful space for social cohesion and solidarity, fighting against failure of service delivery and widespread corruption. Many civil society organisations serve under-resourced communities, while others focus on topics such as the law and social justice. Inyathelo provides support to strengthen these diverse organisations, in several ways.

Enhancing civil society and higher education Advancement capacity

Inyathelo has engaged with a number of organisations and institutions regarding training on Advancement. This ranges from individual organisations and institutions, to donor grantees and support for umbrella bodies. Topics have included grant proposal writing, fundraising capacity building, general Advancement training, reserve building plans, fundraising plans, and governance training.

RAITH Foundation grantee financial and reserve building training

Inyathelo developed content and material to conduct training for 11 social justice organisations, grantees of the RAITH Foundation, a South African philanthropic organisation providing funding in the social justice space. The training centres on financial and reserve building training, a key area recognised by the foundation as important for the sustainability of its grantees.

Board governance and Advancement training

Inyathelo has responded to numerous requests from non-profit boards for training on governance. The

organisation has also been approached to provide training on fundraising, which it has provided under the Advancement framework, incorporating its 10 elements.

In response to the demand, Inyathelo developed a curriculum to deliver solid, relevant training capacity in the areas of financial resilience, governance and other key elements of Advancement. The governance training focuses on examining the role of the board and office-bearers, compliance and oversight, the relationship of the CEO/director and the chair of the board, and strategy and values, with the aim of ensuring that boards understand their role in the financial sustainability of the organisation.

The training is bespoke, taking into consideration the need of the organisation as well as the context it finds itself in. Participants who received governance training in 2023 include the board members of the Durban Film Mart Institute and the members of the Encounters Festival. A skills development programme on fundraising was provided to 25 member organisations of the National Association of Social Change Entities in South Africa [NASCEE].



Civil society is a key partner in a democracy. Its structures form a powerful space for social cohesion and solidarity, fighting against failure of service delivery and widespread corruption.



Information-sharing convenings

Inyathelo works with a network of collaborators to convene engagements on various topics for the sector.

Sector research and advisory services

Inyathelo continued to participate in various non-profit research and donor sector surveys to contribute to the knowledge base of sector development. One such survey, to give a snapshot on non-profit investment strategies, was *The Fossil Free Divestment Survey* by Fossil Free South Africa. Inyathelo continues to offer free clinic services on demand, however this has grown into more in-depth, free advisory intervention services as well.

NPO Amendment Bill

The NPO Working Group is made up of independent organisations that were nominated by participants at the initial webinar on 21 October 2021, facilitated by Inyathelo. The Group was established to coordinate comments from the NPO sector about the proposed amendments to the NPO Act.

[Please see the Inyathelo website for details of this work to ensure that the sector has a voice regarding changes in the legislative environment for civil society in South Africa. The NPOWG Fact Sheet provides a timeline of events that this group has been responsible for since the group's inception.]

🔗 <https://www.inyathelo.org.za/index.php/mediacentre/podcasts>

The following Acts form the basis of the legislative environment in which non-profit organisations in South Africa operate: The NPO Act, The Companies Act, Trust Property Control Act and the Income Tax Act. These were affected by the Mutual Evaluation Report conducted by the Financial Action Task Force. The report found that South Africa is not fully compliant with international standards on the prevention of money laundering, terrorist financing and proliferation financing. These findings led to South Africa being grey-listed by the international body, affecting foreign direct investment. It is for this reason that government is making amendments to address the gaps.

🔗 <https://www.fatf-gafi.org/content/dam/fatf/documents/reports/mer4/Mutual-Evaluation-Report-South-Africa.pdf>

Members of the NPO Working Group have been working tirelessly to ensure that regulations passed do not have any negative repercussions in shrinking civic spaces. Its efforts have played an essential role in keeping the sector informed. Inyathelo serves on an oversight committee as a representative of the NPO sector with other representatives from the Department of Social Development (DSD), South African Revenue Services (SARS) and Financial Intelligence Centre (FIC). This is in order to conduct a risk assessment on the NPO sector in partnership with Green Acre Business Consultants, which has been contracted by the EU Global Facility on Anti-Money Laundering and Terrorist Financing (EU AML/CTF) to conduct the assessment.

🔗 <https://www.global-amlcft.eu/>

WINGS

Inyathelo has maintained a relationship with WINGS Philanthropy Network and has been invited to participate on some of the WINGS committees.

CASE

Inyathelo had constructive engagement with Rob Henry, Vice President of People, Culture and Talent, and his team. Numerous synergies were discussed between the Unit's work and that of Inyathelo. Inyathelo will ensure that discussions continue and that this leads to an opportunity to develop a partnership. Following the initial discussion, Inyathelo has taken the areas of interest, such as diversity, equity, inclusion, and belonging, into its training on governance.

DSD

Considered an experienced NPO, Inyathelo was invited to participate in training on the NPO Mentorship Model presented by the National Department of Social Development through the Chief Directorate: NPO Programme. The programme considers enhancing the capacity of emerging NPOs, by having experienced NPOs transfer their skills, provide mentorship and support.

Kagiso Trust

Kagiso Trust held a National Consultative Conference of the Non-Governmental Organisation sector in order to foster the development of a common plan of action towards 'The South Africa We Want'. It was a timely and necessary intervention as South Africa is facing a multi-level and deepening crisis on every level – political, social, economic and a downturn in the material conditions facing the mass of our people – and the sector is once more called to play its role in re-mapping its future. The objective of the conference was to re-engineer and re-energise activism in the NGO sector through a unified and coordinated framework, in response to the ongoing crisis in the country.

Inyathelo Civil Society Sustainability Hub

Inyathelo's physical hub has re-emerged as a hive of activity since the end of the Covid pandemic. Civil society organisations, higher education institutions, trusts and foundations, amongst others, have been accessing the specialist library collection and clinic resources. They have also made use of the conferencing space for meetings and training. Clients include, but are not limited to: African Monitor, Bookdash, ESRI South Africa, Clicks Group, Olico Maths Education NPC, Future Managers, Autism Western Cape and School of Hard Knocks.



The hub space was the venue for the Inyathelo Open Day, which coincided with World NGO Day, on 27th February 2023. The event followed the theme of World NGO Day – Celebrate, Commemorate and Collaborate. The aim was to grow awareness of Inyathelo's facilities and services, many of which are free, and to honour and thank those who work selflessly to build a better society and support a vibrant democracy.

Three key organisations were invited to collaborate: The South African Department of Social Development, with staff at help desks to answer queries on registration and deregistration; Phambano Technologies, which addressed issues of connectivity and access to technology; and NPOwer, which provides mental health support for South African NPOs.

The gathering also provided Inyathelo with the opportunity to record the experiences of many participants working in the civil society sector, who shared their learnings.

Listen to their stories on Inyathelo's #ChatOnTheCouch series.

<https://www.inyathelo.org.za/index.php/mediacentre/podcasts>

Inyathelo Associates Network

Inyathelo continues to build and maintain a network of experts to support its mission. Relationships with the following key people were initiated and continue to be maintained:

- Prof Leslie Bank, Human Sciences Research Council;
- Dr Samuel Fongwa, Human Sciences Research Council;
- Prof Rodney Uphoff, University of Missouri;
- Prof. Beverley Thaver, University of the Western Cape;
- Dr Mark Abrahams, previously of Southern Hemisphere;
- The South African Research and Innovation Management Association [SARIMA];
- Shaun Samuels, SGS Consulting;
- Centre on African Philanthropy and Social Investment [CAPSI]; and
- Asgar Bhikoo, Monitoring and Evaluation Specialist.

Workshops, Webinars, Symposia, Peer-learning, Training Events and other

1 MARCH 2022 TO 28 FEBRUARY 2023

TYPE CLIENT	PLATFORM TYPE	DATE	TYPE	TOPIC	PARTICIPANTS
NPO Working Group Member Meeting	Virtual/Meeting	4 March 2022	Working Group	NPO Bill and Policy Framework	15
US-SA HEN: SARIMA Training Session	Virtual/Learning Event	2 - 4 March 2022	HE sector	Research Capacity Development Engagement	28-34 across 3 days
CANs [Community Action Networks] Workshop	Inyathelo/In-person workshop	26 March 2022	Bespoke	Strengthening programme session 1 (Advancement)	23
NPO Working Group Member Meeting	Virtual/Meeting	13 April 2022	Working Group	NPO Amendment Bill and Policy Framework	15
CANs [Community Action Networks] Workshop	Inyathelo/In-person Workshop	23 April 2022	Bespoke	Information guidance on Registering an NPO	22
ASPIHE Round Table Discussion	Virtual/Knowledge Dissemination	23 June 2022	HE sector	The Role of Philanthropic Support to Universities in South Africa	37
CANs [Community Action Networks] Workshop	Inyathelo/In-person Workshop	2 July 2022	Bespoke	Establishment of Community Foundations	12
US-SA HEN Webinar	Virtual/Launch & Knowledge Dissemination	5 July 2022	HE sector	Universities as Anchor Institutions: What are the Implications for South African Universities	29
CANs [Community Action Networks] Workshop	Inyathelo/In-person Workshop	30 July 2022	Bespoke	Asset-based Community Development	19
FoodForward SA - Proposal Writing	Inyathelo/In-person Training	4 August 2022	Bespoke	Introduction to the Advancement Framework	4
CANs [Community Action Networks] Workshop	Inyathelo/In-person Workshop	6 August 2022	Bespoke	Diversified Income Streams	23
FoodForward SA - Proposal Writing	Inyathelo/In-person Training	18 August 2022	Bespoke	Fundraising Cycle	4
FoodForward SA - Proposal Writing	Inyathelo/In-person Training	25 August 2022	Bespoke	Proposal Writing Session 3	4
CANs [Community Action Networks] Workshop	Inyathelo/In-person Workshop	27 August 2022	Bespoke	Food Security I	20
SA Older Persons Forum	Virtual/ Learning Event	31 August 2022	NPO	Governance	32
CANs [Community Action Networks] Workshop	Inyathelo/In-person Workshop	3 September 2022	Bespoke	Food Security II	20
FoodForward SA - Proposal Writing	Inyathelo/in-person Training	8 September 2022	Bespoke	Proposal Writing Session 4	4
CANs [Community Action Networks] Workshop	Inyathelo/In-person Workshop	17 September 2022	Bespoke	Presentation of Business Plans, Close Out	18
Raith Foundation Grantee Capacity Building	Inyathelo/in-person Training	13 October 2022	Social Justice Organisations	Developing a Fundraising Plan	38 [virtual] 18 [in-person] 56 [total]
Raith Foundation Grantee Capacity Building	Inyathelo/in-person Training	14 October 2022	Social Justice Organisations	Building a Reserve Plan	31 [virtual] 17 [in-person] 48 [total]
NPO Working Group Public Meeting	Virtual/Knowledge Dissemination	1 December 2022	NPO Sector	NPO Act Amendment Bill	156
Inyathelo 20th Anniversary Celebration	Inyathelo/ Networking	6 December 2022	All Sectors NPO Sector	20 Years of Advancement	59
World NGO Day/ Inyathelo Open Day	Inyathelo/ Networking	27 February 2023	NPO	Commemorate, Celebrate & Collaborate	76



DEGREES OF DISARRAY: UNIVERSITIES GRAPPLE WITH GOVERNANCE CRISIS

Prof. Jonathan Jansen

DISTINGUISHED PROFESSOR OF EDUCATION,
STELLENBOSCH UNIVERSITY



There can be little question that South African higher education faces its most serious governance crisis since the dawn of democracy in the mid-1990s.

The crisis this time is not student protests for free higher education or union demands for insourcing. It is a challenge of governance in which the university council is at the heart of the problem. The council, recall, is the highest decision-making body of a university responsible for governance. It establishes the policy infrastructure of a university, oversees the financial well-being of the institution, and appoints the vice-chancellor. If a council fails in one or more of its core duties, the university collapses.

The cases of governance collapse are by now well-rehearsed in the public square thanks to a vigilant media. At UCT we witnessed a crisis which was located in the offices of the chair and deputy chair of council who failed to act, says an interim report on governance, on multiple complaints centered on the university executive. And at UNISA the council failed to impose a stable and healthy governance regime on core university functions such as technology infrastructure, to the extent that educational services

to almost 400,000 students collapsed; a recent assessor's report found "a council that is reckless in the execution of its fiduciary duties" and recommended that the governing authority be disbanded.

Rogue councils and council leaders represent a story that has been well-documented over the past 30 years. In my recent book *Corrupted: a study of chronic dysfunction in South African universities*, I detailed some of the most egregious cases of governance collapse in higher education.



If a council fails in one or more of its core duties, the university collapses.

Where do these crises start? Principally, because we choose weak leaders. Recent events offer ample evidence that where leaders fail, they are found to lack the leadership temperament, the management capacity, and the ethical consciousness to act in the best interests of the university. How does this

happen? Because we often choose leaders for all the wrong reasons [race, gender, party affiliation, etc.] rather than also their ability to lead large and complex organisations such as the modern university.

Why do these crises persist? Mainly, because we hesitate to take the right decisions about errant leaders quickly. Think of the years of indecisiveness at UNISA before there was government intervention and, even then, the delays in making decisions based on investigatory reports. Not only that, but the politicians also then begin to take the side of the weak leaders through public statements that run counter to the governance decisions of a good council or the recommendations of an independent assessor. Under such conditions, universities are doomed to remain in interminable cycles of crises.

How do we end these crises? Our research suggests that the single most important factor in building a strong and sustainable governance culture is the depth and quality of the leadership appointed. Council members must be appointed for their expertise in

particular areas of governance such as finance, law, auditing and human resources and not because of their union or political interests and affiliations. Council members must be thoroughly vetted by council leadership before they are appointed. Senate leadership must ensure that council upholds their rights and responsibilities with respect to the academic project; too often senates sleep through successive crises of governance. Student leadership must ensure that they are not used as political fodder by outside parties or as conduits for the redirection of tender opportunities in favour of corrupt forces on and off campus.

Put differently, when every stakeholder stays in their proverbial lanes with respect to their authority as spelt out in the higher education act and the statute of the university, then crises are often managed successfully. Alternatively, this means that where council leadership decides to unduly interfere in and even manage a university's day to day functions, expect crises to result. When university executives act as governors and make decisions that legally reside with council there will be instability. All of this can be avoided when we appoint competent, ethical, and wise leaders to govern and indeed manage our universities.



Unless we pay urgent attention to governance leadership, we face the real risk of losing our best universities as in the case of state-owned enterprises.

There are good examples of universities that never seem to buckle under the pressure of severe crises such as the University of the Witwatersrand [Wits] or Stellenbosch University. There are reasons for this: their councils are dominated by high-level expertise and their chairs of councils are wise and competent leaders.

Why is it so important to pay attention to matters of governance? South Africa only has 26 public universities. The top six or seven of them are world leaders in research and development. About six of them are in states of perpetual crisis. And recent events have shown that those crises are no longer limited to the rural, under-resourced institutions. Unless we pay urgent attention to governance leadership, we face the real risk of losing our best universities as in the case of state-owned enterprises.



REVISITING THIRD STREAM INCOME DISCOURSE

Prof. Kyle Farmbry

PRESIDENT, GUILFORD COLLEGE

Dasia Washington

RESEARCH ASSISTANT, GUILFORD COLLEGE



Nearly a decade and a half ago, Inyathelo engaged in an important series of conversations related to third stream income for South African higher education institutions. Covered in much of the 2009 report *Third Stream Income at South African Universities*, Inyathelo defined third stream income as “all income derived from sources other than subsidy and fees is defined as Third Stream Income”.¹

Third stream income is generated outside of a university’s direct academic capacities; it comes from interactions between a university and the rest of society. In essence, any activity [falling outside of collecting student tuition and fees and receiving government subsidies] that involves a university teaching, researching, or communicating their work to a targeted non-academic audience is considered a third stream. Teaching activities that are associated with the third stream include student placements, learning activities, and curriculum alignment. Underneath the research umbrella we see activities like contract research, collaboration in academic research, and staff flow between universities. Third stream communication activities typically consist of social networking and non-academic dissemination.²

Methods to obtain third stream income can include commercial activities but should also include philanthropic activities. Commercial activities serve to assist with regional economic regeneration [i.e. commercialising IP], while philanthropically

generated third stream income will come from activities that range across different social and political networks to help improve quality of life and the effectiveness of public services.

In the years since Inyathelo’s 2009 report, the complexities around higher education financing have become increasingly complex with the advent of the #FeesMustFall movement [a student-led protest concerned with curbing rising student fees at universities and increasing government aid in the same respect] and other efforts with similar or related goals.

The ways in which third stream income can be accessed will differ between each individual university and when measuring methods and outcomes across the globe. These differences depend upon a range of factors including, but not limited to, variations in availability of resources and an institution’s focus [i.e. primarily research-oriented universities versus those with a focus mainly on teaching].



Third stream income is generated outside of a university’s direct academic capacities; it comes from interactions between a university and the rest of society.



Exploring Third Stream Income FOR SOUTH AFRICAN UNIVERSITIES

18 and 19 March 2009, Kievits Kroon Country Estate, Pretoria

In South Africa there is a particular distinction between funding in universities that must be taken into account when considering South African universities' relationships with third stream income. Historically Disadvantaged Universities (HDIs) versus non-HDIs experience differences in third stream infrastructure. An HDI is a university in South Africa that was created under apartheid to serve the non-white population and, as such, are burdened by the conspicuous economic disadvantages that come with purposeful multi-decade oppression. This imbalance can be seen to manifest in how regulatory frameworks surrounding university borrowings interact with HDIs versus non-HDIs. Limitation caps on borrowing, due to socio-economic context, are harsher on HDIs because of how much of their income is able to be generated through tuition and fees.

Overall, in the US, South Africa, and globally, additional research is needed in order to obtain an enhanced understanding of investment and resources needed for third stream income. We need to continue to look at ways to engage the private sector, including investors in third stream efforts.

For example, leveraging technology transfer organisations to assist in the facilitation of tech transfers between universities and IP rights management would be beneficial for collaboration between both domestic and international partnerships. Through a US-SA lens, in 1980 the Bayh-Dole Act

was passed in the United States. One of the relevant functions of this Act has been to protect universities' rights to own and commercialize the fruits of their research conducted under federally funded programs; it has been correlated with an increase in investments from the private sector into universities. Some years later, South Africa produced the Intellectual Property Rights Act and took to commercialising research conducted at universities, which yielded similar results in SA as the Bayh-Dole Act did in the US.

Leveraging changes in tax legislation and building alumni funding networks also have promising potential for increasing investments in universities, lending to avenues for third stream funding. This can be explored through SARS-approved Venture Capital Companies (VCCs) in terms of section 12J of the Income Tax Act. The pooling mechanism of the Section 12J VCC encourages investment in approved start-ups for tax relief to the investor.

In connection to leveraging legislation, alumni funding networks can act as venture funding networks for ventures that come out of colleges. They serve as networks of potential investors that are also alumni of the university. An example of this is the University of Cape Town's angel investing network for the University's Graduate School of Business, which offers startups access to valuable resources needed for scaling and a platform for research and development for corporates.³

Third stream income is as relevant and crucial to the progression of quality in global tertiary education as ever. As complexity surrounding education, particularly at a global scale, continues to evolve, our need to understand and collaborate around these issues increases. Fortunately, innovation and ideas exist in abundance throughout our communities and in higher education spheres everywhere; the most important tool to be sought out is the uniform will to collaborate effectively so that we may take the action necessary for change.

References

- 1 https://www.usaf.ac.za/wp-content/uploads/2017/07/2009_HESA_Third-Stream-Funding_Report_July-09.pdf
- 2 https://www.researchgate.net/publication/246796517_Measuring_Third_Stream_Activities
- 3 <https://www.slideshare.net/SarahAnneArnold1/research-results-uct-graduate-school-of-business-alumni-angel-investing-interest>

REFLECTIONS ON THE 2020 ASPIHE SURVEY

Prof. Beverley Thaver

PROFESSOR IN HIGHER EDUCATION STUDIES,
UNIVERSITY OF THE WESTERN CAPE, AND LEAD
RESEARCHER, ASPIHE



While the demand for universities to be responsive and deliver quality programmes is great, this is occurring under complex conditions.

The funding base of universities prior to 2020 was already under pressure, as these operated in environments of heightened fiscal austerity both globally and nationally. This pressure was compounded with the onset of the global Covid-19 pandemic, which affected the wellbeing of staff, students and modes of teaching and research. Thus, in a nutshell, the pandemic placed unprecedented economic and social stress on societies, including educational institutions. In this respect, the Third Stream source of income [in addition to government subsidy and tuition] becomes very significant. This is where Inyathelo's Philanthropy research programme is important.

Inyathelo's programme on higher education support advocates for the advancement/enhancement of this broad range of income, and support that is providing a key complementary source of revenue for South African universities. One mechanism is the Annual Survey of Philanthropy in Higher Education [ASPHE], the aim of which is to provide an audit of philanthropic contributions/income to universities. Beginning in 2013, and now in its eighth year, the Survey has been administered to between 40- 50% of the total number of universities in the South African system. The 2020 Survey was completed during this annual report review year. The conventional instrument for the Survey included three additional questions on Covid-19. This was administered in 2021. We are mindful of the difficult conditions that institutions were operating under, during a national lockdown. Given that the results of the Survey are available on-line, we highlight some significant aspects and

implications of the philanthropic and Sector Education and Training Authority (SETA) income portions pertaining to the budget share of the universities that have been participating in the research, for 2020.

🔗 Read the survey:

<https://www.inyathelo.org.za/index.php/research-reports/annual-survey-of-philanthropy-in-higher-education-asphe-in-south-africa>

Commendation has to go to the donors, either as individuals or organisations, who generously embarked on acts of giving to universities in 2020, which increased income beyond that of the previous years. For example, the total [excluding SETA] income is R2.31 billion, almost double from 2019, and far higher than the baseline established eight years ago in 2013. Interestingly, the total number of donors is slightly lower than the previous year (2019). To close off this reflection on income type, specifically that of SETA, an interesting finding from 2020 is that while previously the historically disadvantaged institutions were able to accrue a large portion of SETA income, it was not the case in the 2020 Survey.

A further finding is that data shows an equal distribution of income generated from national and international sources. This trend of national giving, which surfaced in 2019, was proportionately higher in 2020. This is highly commendable and suggests high levels of civic responsibility by South Africans. What is of further interest is that 2020 data shows a decline in international private sources, such as trusts and foundations. This suggests that international organisations had channelled funds inwardly as a result of the pandemic. In accounting for the decline, it would

be remiss of us not to mention that even although there is a decline in 2020, for the full period of the ASIPHE Survey, the international philanthropic radar has been in the direction of historically advantaged institutions. This means they have more confidence and trust in previously advantaged institutions. The hard question here is whether this is not in effect reproducing the past discriminatory legacy practices. When the effects of Covid-19 are factored in, the situation is exacerbated for certain institutions.

However, before we reflect on this, it is important to briefly comment on the high forms of giving by donors. From the data, and as mentioned above, the nature of philanthropic support underwent some shifts, as donor giving was redirected to respond to the immediacy of the crisis. On average, some of the institutions in this sample record positive effects. In this respect, the overall totals are suggestive of exponentially high forms of giving, ranging from emergency relief measures, personal protective equipment, infrastructural support in the form of vaccination stations and technological equipment, through to health-medical research. Clearly, national and international donors rose to an unprecedented challenge, notably emergency relief measures. There was also a far-sighted strategy, in terms of support for health-related research. With regard to designated areas, support for infrastructure (40%) outstripped that of student (30%) support. The inverse was the case in previous years.

Having briefly highlighted the size and shape of the support, we emphasise that the inequitable and uneven resource base of the 10 institutions undoubtedly would have resulted in varying forms of external engagement with donors and other interested parties. For example, the data from the Covid-19 related questions, with self-reporting by the institutions, reveal that 60% experienced the donor giving during the year of Covid-19 as positive. This was for student learning technologies, bursaries and medical-related research. On the flip side, though, some of the institutions in the sample experienced difficulties at three levels. These ranged from suspension to withdrawal and/or a reduction of funding. At a macro level, it is important to note that the support from donors, in other words, the overall response of philanthropic giving to South African universities under an emergency set of conditions, has to be acknowledged in terms of the system being 'held together'.

A concluding comment: There is an opportunity here for international philanthropy to consider collaborative-joint strategies aimed at greater, collective social impact. At the same time, institutions in the national system are also required to internally reflect on how best to attract across geographical regions. Understanding the characteristics of the domestic sources of philanthropy could serve as a basis for further discussion about the most effective way to stimulate and incentivise national giving.

Figure 1: Income by philanthropic sector – 2020

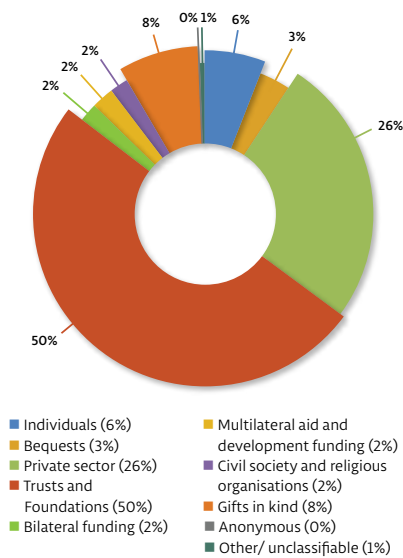
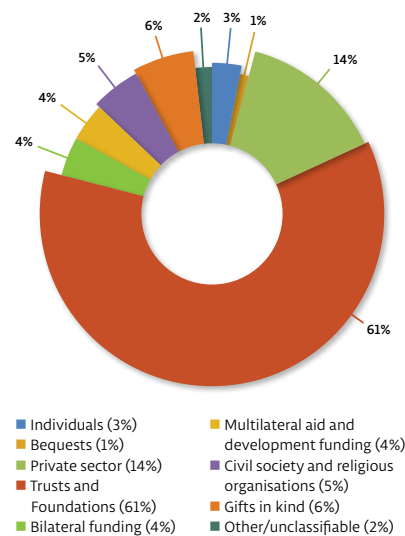


Figure 2: Income by philanthropic sector – 2013



HIGHER EDUCATION OVERVIEW



Inyathelo's strategy is to support the development of Advancement capacity in higher education institutions in South Africa. Inyathelo focuses on several strategic objectives in tertiary education:

- Grow and support a community of practice within the sector;
- Facilitate the professional development of Advancement staff through accredited courses;
- Conduct research that will support Advancement development in the sector; and
- Facilitate partnerships and collaboration that will support financial sustainability and resilience in higher education.

The latest developments of these strategic interventions are detailed below.

US-South Africa Higher Education Network [US-SA HEN]

Inyathelo's partnership within the US-SA HEN incorporates several levels of engagement. Inyathelo is a programme lead on the objective related to university Advancement and third stream income, universities as anchor institutions and university research office capacity development. Inyathelo is required to work across programme areas and engage with other programme leads to develop partnerships and exchange of ideas between universities in the US and South Africa.

Under the US-SA HEN Project, Inyathelo has been involved in several activities and has also delivered a number of publications. This project is funded by the US Embassy, administered by the University

of Pretoria. The project lead is Prof. Kyle Farmbry, President of Guilford College in the US. The concept paper on Anchor Institutions was launched during a webinar in July 2022. This process was assisted by a reference team consisting of key experts in this field. These include Judy Favish [UCT], Diana Hornby [Rhodes], Nthabiseng Ogude [UP], Samuel Fongwa [HSRC and lead researcher], Rodney Uphoff [Missouri] and Shaun Samuels [SGS Consulting].

The webinar focused on recent research by Dr Fongwa, in a paper titled *Universities as anchor institutions: What implications for South African universities?*

The objective of the webinar was to launch the concept paper and interrogate the idea of anchor institutions. The target audience for this important discussion was broad – academics, non-profits, corporate social investment organisations and government, especially those collaborating with universities to develop the communities around them.

The concept paper on third stream income is now under development with several convenings planned for its launch.



Inyathelo is a programme lead on the objective related to university Advancement and third stream income, universities as anchor institutions and university research office capacity development.

Annual Survey of Philanthropy in Higher Education (ASPIHE)

Findings from the seventh Annual Survey of Philanthropy in Higher Education (ASPIHE) were formally released to media in April 2022. Research revealed that local and international philanthropists had donated R1.55 billion to 10 South African universities in 2019 – and when income from Sector Education and Training Authorities (SETAs) is added, total giving increased to more than R1.94 billion.

This funding represented a R30 million increase on the previous combined total of R1.91 billion received in 2018. It could largely be attributed to some universities investing in professional fundraising, alumni relations and support staff.

The latest, eighth iteration of the ASPIHE report was finalised towards the end of 2023. As Inyathelo looks to including more universities in the survey, challenges will be addressed and proposals discussed for potential changes to the survey instrument with the current participating institutions.

A public event will be convened to explore ways in which philanthropic support can address equity challenges and support to the university system at large, or a similar relevant topic.



Postgraduate Diploma in Philanthropy and Resource Mobilisation (PGDip)

The Postgraduate Diploma in Philanthropy and Resource Mobilisation is hosted by the Centre on African Philanthropy and Social Investment (CAPSI) at Wits University. The development of the content, for the first ever PGDip of this nature, was funded by The Kresge Foundation and Inyathelo resources as a product of a stakeholder workshop organised by Inyathelo and CAPSI with the aim of professionalising the Advancement and fundraising discipline in an African context.

The programme is designed for those seeking specialisation in fundraising, Advancement and partnerships. It introduces the fields of philanthropy and Advancement by providing a comprehensive overview of the complex world of grant-making and grant-seeking. It allows students to understand the thinking that shapes resource mobilisation and donor decision-making.

The PGDip initially showed a low take-up, mainly due to funding challenges as the non-profit sector is faced with limited resources in making large investments in skills development, considering the funding challenges that the sector is experiencing.

The current 12-month course, the second iteration, began in January 2023 with ten registered students. The communications and marketing for the third iteration of the 2024 course has already started, which indicates more confidence by Wits in the sustainability of the course.

The PGDip was also accredited through the South African Qualifications Authority (SAQA).

It is encouraging to see that additional universities such as Rhodes University will be following suit by introducing a similar iteration of the programme in 2024, thus proving the increasing focus on professionalising the sector and reaping fruits of an initial invested partnership of The Kresge Foundation-Inyathelo programme for PGDip Advancement accreditation.

The existing memorandum of agreement between Inyathelo and CAPSI speaks to the development of a certificate course, which Inyathelo is eager to see developed.

THE CRITICAL ROLE OF PHILANTHROPY IN DRIVING AFRICAN RESILIENCE AND INNOVATION

Jane Connolly

SENIOR MANAGER, DONOR DEVELOPMENT –
WESTERN HEALTH FOUNDATION



It gives me great pleasure to provide this article as a guest writer for the Inyathelo Annual Report 2022/23. Inyathelo has been a vital peak organisation advocating for philanthropy, providing practical tools and conceptual frameworks to South African organisations since 2002.

Like many organisations working in the social justice space, Inyathelo has remained committed to its mission and vision with limited resources. Inyathelo can be proud of its achievements and impact in South Africa.

In this article, I will look to the importance of philanthropy in ensuring sustainability and resilience, the broad theme of Inyathelo's Annual Report 2022/23. I have worked in the philanthropic sector for more than 20 years, both in South Africa and Australia. During that time, I have heard many well-informed, passionate people dismiss the importance of philanthropy. I hope to open a debate which positions the importance of philanthropy in Africa and the critical role it can play in innovation. I will also outline how the drive for transformation, when embraced by philanthropists, delivers better outcomes and application of scarce resources.

Now, more than ever, financial sustainability is critical in helping to ensure happy, healthy futures for millions of people denied social justice and basic rights to education, healthcare, sustainable livelihoods, food security and cultural determination for current and future generations. Philanthropy is a powerful



Financial sustainability is critical in helping to ensure happy, healthy futures for millions of people denied social justice and basic rights to education, healthcare, sustainable livelihoods, food security and cultural determination for current and future generations.

lever to assist communities who have the solutions, knowledge and innovations themselves, but are hampered by a lack of resources.

It is well documented that African NGOs face funding disparities that stifle their impact and their ability to plan for the long term. I will illustrate with a case study. In 2020 I met an African nurse, Yangama Jokwiro, who wanted to make a difference to nursing education in Zimbabwe. He knew that nurses had not received updated training for decades and had to travel large distances to renew their nursing registration by unreliable public transport, often at risk of personal safety and at great personal expense. He and his brother, Admore, had come up with an online app to improve nursing education through accredited Continuing Professional Development (CPD) courses specific to an African context. With permission from the Nurses Council of Zimbabwe the app would allow nurses to register, complete the



Southern Africa in 16 countries on mobile devices. This is a formidable achievement. It is also transformative. VAKA Health Foundation is led by African health professionals based in Africa and the diaspora. Admore and Yangama are uniquely positioned to understand the complexities of delivering healthcare in under-resourced communities in an African context. Both understand the power of innovation and technology and have harnessed this to provide better health training. Through their powerful conversations, they have enlisted the help and support of non-African philanthropists to resource and achieve this incredible and unfolding impact.

course, be accredited and receive their accreditations electronically, avoiding long and expensive travel. Their proof-of-concept was an astounding success. During Covid, they were able to enrol more than 95% of Zimbabwean nurses who each completed 30-45 nurse training modules, which totalled more than one million Continuous Professional Development [CPD] modules over three years. But Admore and Yangama simply didn't have the resources to take the development further. They were innovative, their vision was transformative, but they had no more money to invest. When we met, Admore and Yangama had been unable to access funding and their dream of providing better healthcare in Africa was slipping away in spite of their considerable talent.

We met several times to brainstorm how to communicate their key messages about the importance of their innovation and the difference it could make. We then set about discussing this vision with clearly identified philanthropists. Within months, Yangama and Admore were able to secure a substantial first donation which has been ongoing. As valuable as the donations themselves was the ongoing time and effort provided by one of the philanthropists, Peter Williams, to mentor Yangama and Admore. Yangama and Admore have had the opportunity and privilege to learn from a successful entrepreneur. The mentorships resulted in the establishment of VAKA Health Foundation and they are now working with the East Central and Southern Africa College of Nursing and Midwifery [ESCACONM] to design, develop and deliver fellowships for nurses and midwives across



Across the continent, African business leaders and thinkers are stepping forward as philanthropists, recognising the challenges of innovation to help those in need and to solve some of the biggest challenges of our time. Strive Masiyiwa is Founder and Executive Chairman of the Econet Group. Among many philanthropic pursuits Strive, and his wife, Tsitsi, have supported and educated more than 40,000 children. Strive has many public responsibilities, including serving as a board member on the Bill and Melinda Gates Foundation.

The list of African philanthropists is growing and will continue to do so, bringing with it transformation and change. Will the implementation of this new philanthropic vision always be successful? Will it always be right? Without a doubt, it will be complex to implement and there will be mistakes. But this transformative philanthropy will continue to grow, playing an increasingly critical role in social change and justice across the continent. It is my belief, that this new generation of philanthropists will be critical not only in Africa, but also in transforming how philanthropy is done around the world.

PLANNING AHEAD FOR LONG-TERM SUSTAINABILITY AND RESILIENCE

Audrey Elster

EXECUTIVE DIRECTOR, RAITH FOUNDATION



The RAITH Foundation is a private philanthropic organisation, focused on the advancement of social justice in South Africa. RAITH was established in 2001 and will close its doors no later than 2036.

This planned end date has forced us to look to the future and our legacy post-2036. Funding relevant, effective work now and sustaining the progress made with our funding (estimated to be about R1.5b by 2034) has become even more important and urgent.

One of the things we know we have achieved to date is the continued presence and effectiveness, in South Africa, of many human rights and social justice organisations that hold those in Government to account and help to empower communities to realise their rights. This work will be no less important after RAITH closes its doors and may be even more of a priority.

What we have learned from the past departure of some of the bigger donors to the sector, like the Atlantic Philanthropies, is that if this work is to be sustained beyond our closure, it is important to be supporting it and planning for it now, even if our closure seems like a long way away. This is because sustainability does not happen overnight and requires an investment in many complex, inter-connected factors such as governance, leadership, finance



Sustainability does not happen overnight and requires an investment in many complex, inter-connected factors such as governance, leadership, finance and communications, as well as key programmatic issues, such as strategy and stakeholder management.

and communications (amongst others) as well as key programmatic issues, such as strategy and stakeholder management.

Fortunately, RAITH has always supported the NGOs it funds to strengthen their internal organisational capacity, systems and strategies. As the custodians of RAITH grants it is important, purely from a fiduciary oversight point of view, that the NGOs we fund are well managed and the money well spent. We were also aware that the success of any intervention we fund depends not only on the intervention itself, but the way it was managed and supported internally. With this in mind, we have supported governance training for boards and leaders, admin, HR and

finance systems development, strategic planning and research. However, based on concerns in the sector that donor funding is not sufficient for this work, more recently our focus has turned to financial resilience, with an emphasis on fundraising and building and managing reserves.

Inyathelo, with its substantial experience in this field, has been our partner in the implementation of this work. By the end of 2023, almost 30 NGO grantees will have undergone this training and set up policies and plans to build this kind of resilience. While many of our grantees had been exposed to, and have substantial experience in fundraising, very few had any experience

±30

By the end of 2023, almost 30 NGO grantees will have undergone this training and set up policies and plans to build this kind of resilience.

of how to build financial resilience through proper budgeting, reserves building and, ultimately, asset management. While NGOs can do their part, it is also important that donor policies move with the times and consider the bigger sustainability picture i.e. the need for core funding that adequately supports organisations to implement their programmes effectively. Allocations for reserves building and technical support in organisational strengthening are some of the key factors to be considered.

What we have learned from these initial trainings in financial resilience and sustainability more broadly, is that our next support steps should be focused on one-on-one tailored support; most NGOs are unique and work under quite different circumstances. This support will continue to be provided by RAITH partners but is also available through small Institutional Development grants to any qualifying social justice organisation (grantees or non-grantees).

In terms of our future plans for direct sustainability interventions, we have also learned that we need to consider more creative fundraising strategies which must look beyond the tried and tested avenues of funding normally available to the sector. Also, once reserves are established, managing these becomes an important challenge for leadership as the needs are great but resources need to be retained to meet funding challenges and to sustain important work into the future.

All of these challenges mean that strong leadership remains key. This, along with technical understanding of how to manage assets, evaluate complex social justice interventions and then to tell these success stories in a way that is compelling to traditional and non-traditional donors, will be our priorities for support going forward.



What we have learned from these initial trainings in financial resilience and sustainability more broadly, is that our next support steps should be focused on one-on-one tailored support; most NGOs are unique and work under quite different circumstances.



SUSTAINABILITY OF PHILANTHROPY

Professor Anesh Maniraj Singh
DIRECTOR INSTITUTIONAL ADVANCEMENT,
UNIVERSITY OF THE WESTERN CAPE



Sustainability means different things to different people. In the main, however, it is understood to mean using and protecting resources today without compromising the needs of future generations.

The triple bottom line refers to reporting on people, profit and the planet. Sustainability in philanthropy is concerned with distributing today's profits to develop people for tomorrow to steward the planet into the future. The question that concerns higher education is whether there are sufficient philanthropic sources/resources to sustain higher education institutions.

ASPIHE is a critical report that measures philanthropy in higher education in South Africa and sets benchmarks for competing institutions to measure themselves against. Philanthropy in higher education has faced both challenges and opportunities regarding sustainability. From 2015 to 2018, it was on the rise, peaking at R1,71 billion, but it began declining in 2019 and further into 2020. At this stage, we do not have comparative statistics to measure the impact of the Covid-19 pandemic on philanthropy. Another trend worth mentioning is that international donations to South African higher education institutions have been on a rollercoaster ride, bottoming at R483 million in 2020 - less than half of what was raised from national donor sources.

Whilst the figures quoted may suggest that philanthropic contributions to higher education may be dwindling, it does not mean that donors have

become miserly. Donors may be inclined to support more immediate and pressing social issues, such as poverty alleviation, healthcare, or basic education, over higher education. In 2018, there was a decline in American philanthropy because of their political ideology of "America first".



The question that concerns higher education is whether there are sufficient philanthropic sources/resources to sustain higher education institutions.

South Africa has faced economic challenges, and higher education institutions might need help attracting significant philanthropic donations during economic downturns or uncertain financial climates. South Africa has one of the highest income inequality rates globally, which could impact the willingness and ability of potential donors to contribute to higher education. Political instability and changes in government policies could have also affected philanthropic funding for higher education. A significant opportunity for South African universities is the developing culture of philanthropy, with an increasing number of individuals and corporations showing interest in giving back to society. The ASPIHE reports from 2015 to 2020 have shown increased

private sector funding of higher education. Many argue that corporate giving is not entirely altruistic and that significant gains accrue towards BEE points. However, most organisations are genuinely interested in developing talent and invest in their post-graduation development by offering graduates internships and traineeships.

The BEE legislation creates the potential for partnerships between businesses and universities. Establishing partnerships with businesses, foundations, and international organisations can open up new avenues for funding and support. Supplier and enterprise development provide an opportunity for universities to become more entrepreneurial and relevant contributors to the economy. Commercialising research IP would benefit universities, businesses, society and the economy. We need a radical mind shift to co-create wealth and funding opportunities.

Encouraging alumni to become more involved in supporting their alma maters can provide a stable and sustainable source of funding for higher education institutions. I believe South African universities have lost a major opportunity to promote philanthropy

among their alumni. The 2020 ASIHE report shows that only 10% of all philanthropic income accounts for individual giving to the sector. Alumni giving, albeit not reported independently, accounts for a lot less. This pales against alumni giving in the United States, where alumni giving accounts for 40% of philanthropic income to the higher education sector.

Alumni relations in South Africa is seen as a separate office that does “friend-raising” when a student becomes a graduate and leaves the institution. It is too late, then!

Cultivation of our alumni is the responsibility of every university employee from day one. Treat the student as royalty, and they will remain committed to their alma mater. The classroom experience and student life are crucial to building pride, encouraging engagement and connection.

Building a culture of giving and getting is essential in developing philanthropy among the university community. It should be compulsory that students engage in “fun” draising initiatives, be it a dance, a rock concert or a cake sale; they need to be engaged. If students understand the financial challenges faced by their institutions and they become a part of the solution, they are on their way to being a donor when they can afford it. Alumni should be ambassadors opening the doors of wealth to assist their alma maters.

To ensure the sustainability of philanthropy in higher education in South Africa, it is essential for institutions to constantly demonstrate transparency, accountability, and effective management of funds. Building trust with donors and showcasing the positive outcomes of their contributions can lead to a more robust philanthropic ecosystem in the country. Additionally, the government and other stakeholders can promote and further incentivise philanthropic giving to higher education institutions.



Encouraging alumni to become more involved in supporting their alma maters can provide a stable and sustainable source of funding for higher education institutions.

UNIVERSITY of the WESTERN CAPE

” You will always have a home at UWC
— Aliphe Citywayo, LLB Graduate

Welcome to the UWC Alumni family.

Stay connected - stay updated with the latest UWC news, events and information. Update your contact details by scanning the QR code or send an email with your details to alumni@uwc.ac.za

From hope to action through knowledge.



PHILANTHROPY OVERVIEW

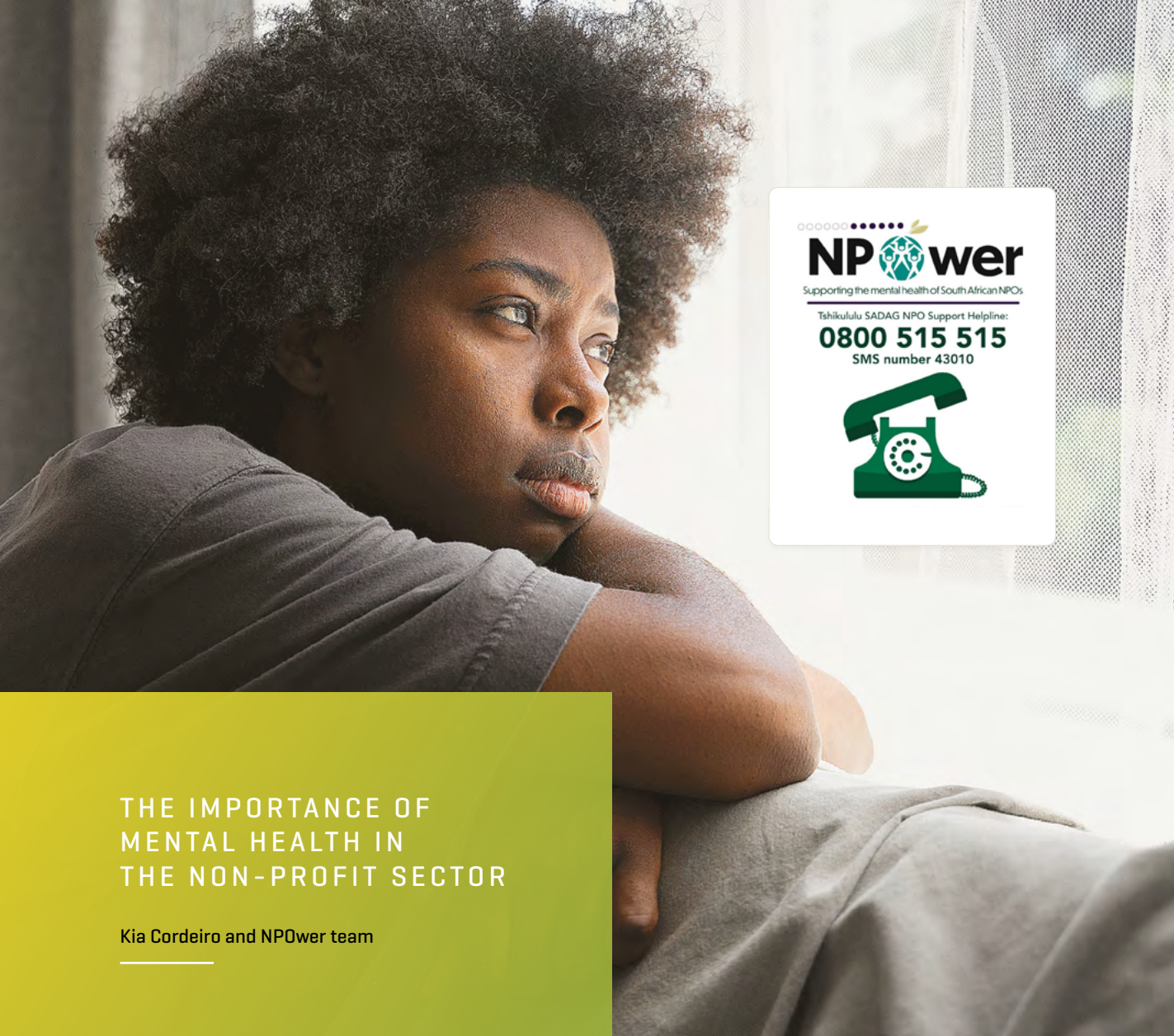
The involvement and role of Inyathelo in the philanthropic sector of South Africa has evolved over the years. Initially, Inyathelo championed a decade of Philanthropy Awards to honour individuals, families and partners who committed themselves and their resources to the betterment of South African society.

This format then changed to the Inyathelo Philanthropy Forum for discussion and debate, led by keynote speakers. More recently, the focus has shifted to community philanthropy, where ordinary individuals give money or volunteer their time and skills.

During the humanitarian crisis brought on by the Covid-19 pandemic, Community Action Networks (CANs) emerged to address food insecurity and other challenges facing vulnerable communities. Thanks to donor support from the DG Murray Trust, Inyathelo developed the Sustainable Pathways programme for CAN kitchens. This programme ran alongside

a social enterprise incubation programme offered by the Bertha Centre for Social Innovation and Entrepreneurship, UCT Graduate School of Business.

The Inyathelo programme was implemented from February 2022 to June 2023, creating a space for CANs to reflect on their work and where they could learn about various organisational forms, governance, Advancement, fundraising, diversifying income streams, and related topics. This programme was followed by a report-back session at the Civil Society Sustainability Hub for CANs to share developments, network, and discuss the way forward. Many community leaders had initiated social enterprises in order to raise funds to continue their work, and several leaders shared their insights in recorded interviews. Inyathelo will continue to partner with stakeholders to promote sustainable practices in the philanthropic sphere, and is available to develop bespoke training programmes.



THE IMPORTANCE OF MENTAL HEALTH IN THE NON-PROFIT SECTOR

Kia Cordeiro and NPOwer team

SA Depression and Anxiety Group (SADAG)

Mental health remains unintegrated and misunderstood across the healthcare sector. South Africans feel let down by the system, which adds to the apathy and fear of seeking treatment. Finances, unemployment, transport, violence, and stigma mean NPOs like the South African Depression and Anxiety Group (SADAG) have had to increase their reach to communities and ensure they have the resources to remain consistent and sustainable.

The state of mental health in South African NPOs

Healthcare workers worldwide face daily challenges in prioritising their own health and well-being. The state of mental health among healthcare workers in the private, public, and NPO sectors is rapidly becoming an epidemic in itself.



The state of mental health among healthcare workers in the private, public, and NPO sectors is rapidly becoming an epidemic in itself.

“NPOs have always provided help, resources and support to others, but never before has the mental health of our NPOs been prioritised,” says SADAG Operations Director Cassey Chambers. “Covid taught us the importance of caring for our mental health.” NPO workers continue to provide crucial services for those affected by poor mental and physical health, as well as financial and societal issues. They continue to do so despite limited resources and sustained exposure to social suffering.

SADAG, in partnership with Tshikululu Social Investments, has accordingly adapted to the needs of our people with NPOwer – a first-of-its kind NPO mental health support programme that offers mental health care and support to all NPOs.

SADAG's NPOwer has a 24-hour toll-free line and is on three dominant social media platforms [Facebook, Instagram and Twitter] to provide free on-the-go mental health support. NPOwer provides a safe, non-judgmental space for all healthcare providers to be open and ask for help when they need to.

NPOwer's work

One of NPOwer's functions is to provide workshops and debriefing sessions for people in the NPO sector to overcome challenging circumstances like addiction, unemployment, domestic and gender-based violence, and suicide.

Because of the nature of the work non-profits do, staff members and volunteers are often exposed to trauma daily and often experience secondary trauma. We have learned that people working in the NPO sector prefer support in a group setting rather than an individual setting. NPOwer has hosted online support groups on the second Friday of the month since 2021. The attendance increases every month. In 2022 alone, NPOwer conducted 467 debriefing sessions to enable participants to share their initial reactions and emotions following a critical incident.

In 2023 NPOwer started Facebook Live Coffee Connect sessions for NPO workers to engage and get to know one another in a casual manner.

"When we are part of the organisation sector, we know what the organisation stands for, but too often we don't get to know the people we work with. This platform allows us to get to know one another and share the highs and lows," says SADAG's Divashnee Pillay. "In the last NPOwer Coffee Connect, in June, we reached 292 people who engaged, watched, and shared the session."

What can be done to improve the mental health of NPO workers

There are a number of ways to improve NPO workers' mental health. The first is to know that burnout is real and there is help. Fostering trusting, empathetic

relationships between NPO leaders and their staff is first prize. All sectors should be educated about mental health and the importance of self-care and support structures. In the health and NPO sectors, it is critical that staff and volunteers know signs and symptoms and know that 'being not OK' is allowed and help is available across all platforms.

Some suitable interventions include implementing simple and structured touchpoints with staff to identify challenges and help address issues as and when they arise; provide immediate mental health services to staff through the existing NPO resources, such as the NPOwer helpline; encourage staff to make use of medical aid benefits or local clinics, or reach out to available lay psychosocial resources such as church groups and support group networks.

Holding interdepartmental webinars and staff debriefing sessions assists in fostering a culture of togetherness and creates a safe space to share. Paying extra attention to schedules, time off, and workloads can also help identify any staff that may be overloaded. It's vital to have clear roles and responsibilities and manage expectations to find more sustainable ways of working.

Take one step towards seeking help – call NPOwer, share your story with others, speak to someone about how you are coping, listen to other people's stories, join a support group, follow NPOwer on social media, access mental health resources... That first step is the hardest. After that step, you are not alone.



**That first step is the hardest.
After that step, you are not alone.**



THE IMPERATIVE OF GOOD GOVERNANCE IN FUNDER-GRANTEE PARTNERSHIPS

Anne Emmett

INDEPENDENT PHILANTHROPY CONSULTANT
AND CHARTERED DIRECTOR SOUTH AFRICA



In development funding practice and in the world of non-profit organisations (NPOs), strong partnerships between funders and grantee partners are essential for achieving shared goals and driving positive social impact.

A successful partnership is rooted in the acknowledgment of mutual benefits and responsibilities. The funder, driven by a specific mandate, requires the grantee's assistance to achieve its objectives and report on activities. Likewise, the grantee relies on funds and in-kind support from the funder to fulfill its mission and bring about positive change.

The success of these partnerships hinges on a mutual understanding of reciprocity and the adoption of an inclusive, cooperative approach rather than top-down power dynamics. While donors possess more financial power, they should approach their engagements with an understanding of the grantees' needs, context and challenges. It is crucial to build trust and communicate effectively to avoid an adversarial atmosphere that serves nobody's interests. It is the responsibility of both parties to build mutual trust.

Tailoring governance to different NPOs

Both donors and grantees must prioritise governance as a key element in the equation. Governance plays a critical role in the success and sustainability of NPOs. However, there is no one-size-fits-all approach.

For larger NPOs, with relatively strong institutional capacity, a corporate governance model may be more suitable, but smaller organisations may find such an approach intimidating. It is essential for donors to demystify governance and recognise that community-based organisations may operate differently, relying on committees rather than Boards, for example. These can operate without typical formal governance processes in place but with other viable and contextually appropriate accountability mechanisms.

Donors should help build capacity and assist organisations in understanding governance requirements while respecting their unique structures. It is not a case of instilling fear from a position of power, but rather reminding grantees of their legal, regulatory and ethical responsibilities and growing their understanding of these.



A successful partnership is rooted in the acknowledgment of mutual benefits and responsibilities. The funder, driven by a specific mandate, requires the grantee's assistance to achieve its objectives and report on activities.

Encouraging accountable governance

Donors should explain why certain systems and information, such as regular meetings and minutes, are important. Demonstrating the link between good governance, funding and organisational impact can help grantees appreciate its importance.

As part of my own engagement with grantees on behalf of donors, I have found that when there are legal agreements put in place with organisations, it can be helpful to include clauses that aid a process of strengthening governance. These need not be harsh or onerous: One can use wording such as proposing that a grantee should consider reviewing its governance practice e.g. regarding the regularity of Board meetings, the recording of minutes, the Board member appointment process, Board composition and roles etc.

Some NPOs find this process helpful in thinking through their governance status and are open to further engagement and guidance.

In the assessment process, asking whether an organisation has a Board Charter might be the first time this is heard of. My experience has been that after thoughtful explanation, some organisations recognise the potential value of having one and might start the journey of developing one suitable to their organisation's needs.

Engaging grantees in conversations about governance, and using real-life examples to illustrate its significance, is useful to circle back to the applicability of concepts and practice in their own context.

It is also helpful to point out that we are navigating a world that is increasingly using evidence-based practice to demonstrate what we have and have not done, how, etc., and that such sources of evidence can be varied and context-specific – as proof of due process and accountability.

Response from NPOs

As greater understanding grows of the importance of evidence-keeping in whatever form this might take, and governance, I have seen a willingness to apply these practices. Some organisations are not interested in the details of governance, but others appreciate why questions are being asked by funders.

Given the current South African landscape, there is awareness of the negative impact of corruption, and Boards have a desire to do the right thing in the best interests of the organisation. In the long run, they see the benefits of good governance when more donors come on board (or continue funding) knowing that governance capacity and methods are in place. Mostly, the decision-making and evidence-keeping processes are understood to be necessary for the organisation's sustainability.

Naturally, questions about systems and governance can also provoke a feeling of being overwhelmed. Many NPOs lack capacity and systems, whether they are small or large organisations, and governance concepts can appear intimidating to both. It is going to take time for knowledge and systems to be implemented equally across the sector.

We need to engage carefully. When we talk about professionalising the non-profit sector, it's about guiding people to do the right thing, rather than being draconian. We don't want to take away the mission- and passion-driven nature of these organisations.

Finally, terms like governance, systemisation, sustainability and professionalisation should be seen as living terms. As donors we need to keep our fingers on the pulse, stay abreast of developments in the external environment, and interrogate prevailing norms and theories. These are strategic concepts and, rather than imposing rigid structures, donors should support grantees appropriately.



By fostering reciprocal relationships and understanding the diverse needs of NPOs, donors can empower grantee partners to grow good governance, and to thrive while maintaining their mission-driven passion.

By fostering reciprocal relationships and understanding the diverse needs of NPOs, donors can empower grantee partners to grow good governance, and to thrive while maintaining their mission-driven passion. Offering support, such as sharing knowledge and best practices, can empower NPOs to grow and thrive.

INYATHELO OPERATIONS OVERVIEW



Introduction

Reflecting on yet another tumultuous financial year, Inyathelo has addressed a range of issues that have influenced the way we do business. Like many others in the civil society sector, we have had to adapt to new, post-Covid-19 challenges whose impact we were not initially fully geared up for. We have shifted back to working from the office; while most staff and clients became comfortable working from home, Inyathelo's business model could not fully accommodate the work-from-home option for all staff, especially client-facing staff, and it hampered our ability to assist walk-in clients. Back-to-office working has also enabled us to optimally support our tenants and clients who make use of our Civil Society Sustainability Hub's facilities and services. This social entrepreneurship income contributes to our efforts to sustain the Inyathelo Trust.

We also experienced an increase in demand for our products and services, which underpin the non-profit sector's long term sustainability strategies. Inyathelo has, over the period of its 20 years of existence, always sought cutting-edge ideas to develop products and services. This ensures the sector members have access to sustainability tools that enable them to implement their visions and missions. We rose to the occasion, and developed material for groups of social justice organisations to put in place plans and structures to bolster their long term sustainability. This, in addition to existing strengthening resources, which are always readily available to the broader civil society sector, ensured Inyathelo's relevance and capability to respond to the need.

Income generation

Like most organisations, Inyathelo experienced a decline in financial resources, and had to focus internally to best utilise its existing resources. These included infrastructure and the ability to generate financial income, to cover potential gaps. These efforts were fully aligned with strategic objectives to strengthen the sector. Inyathelo has always had a strategic mandate to generate additional income, through a social entrepreneurship component, in the event of any unplanned crisis that may occur.

Committed staff

We are very proud of our extraordinary team of staff who have stayed the course, and are fully aligned with the vision and mission. They contribute their skills and knowledge wholly to the strategic objectives and goals of the organisation. This is evident in their phenomenal growth in learning and development.

This small team is responsible for research and development of content, presentation of the learning programmes, monitoring financial progress, advocating our work through strategic voice and visibility, and management of programme work, while supporting the use of the magnificent, well-resourced Inyathelo Civil Society Sustainability Hub. It is rare to find such committed individuals, who thrive in promoting the important work of strengthening the sector. Our stakeholders include higher education institutions, non-profit organisations, philanthropists, and service providers who serve the sector.

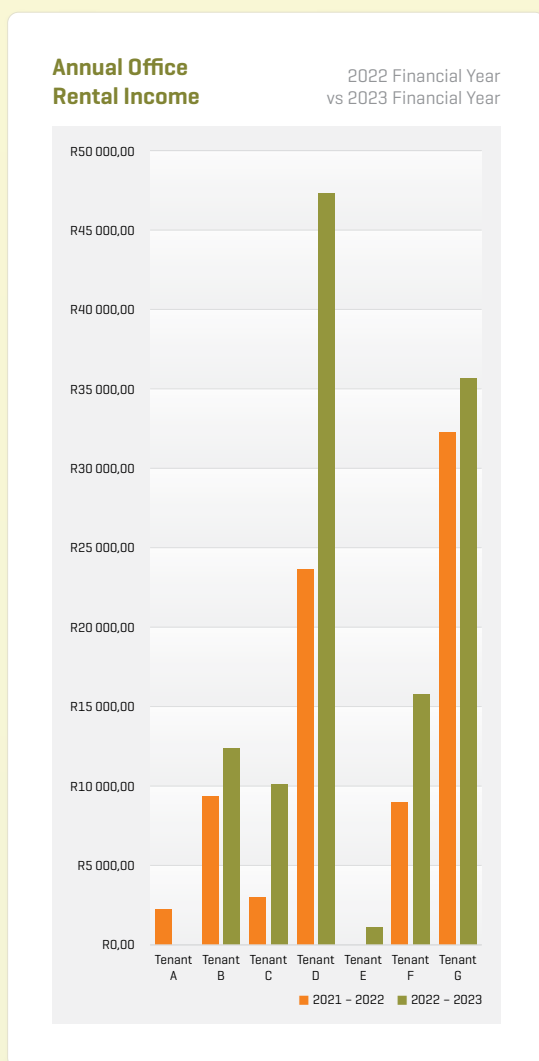
Income derived from venue hire

The rental income generated during the 2022-2023 financial year is presented below, along with a comparison with income from the previous year [2021-2022].

Income centres breakdown

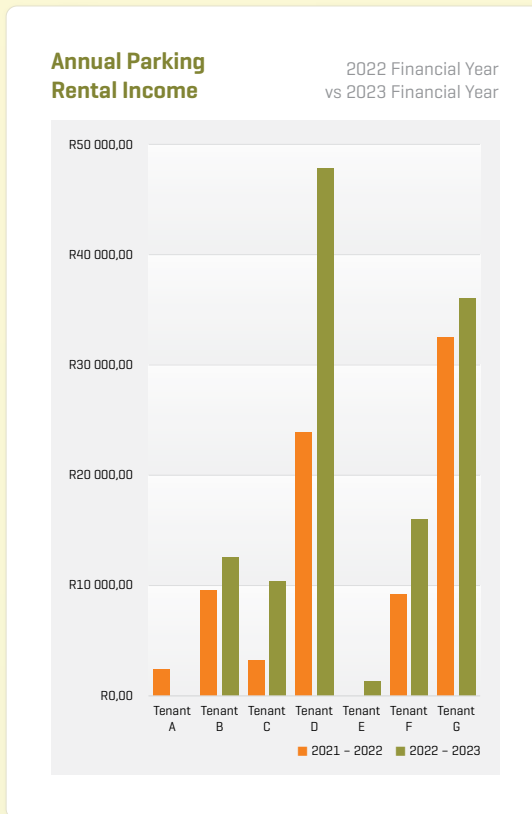
a. Office rental

As Covid-19 lockdowns were gradually phased out, we observed a notable increase in office rentals. Although we have not yet reached pre-Covid-19 levels, there has been a steady rise in office attendance.



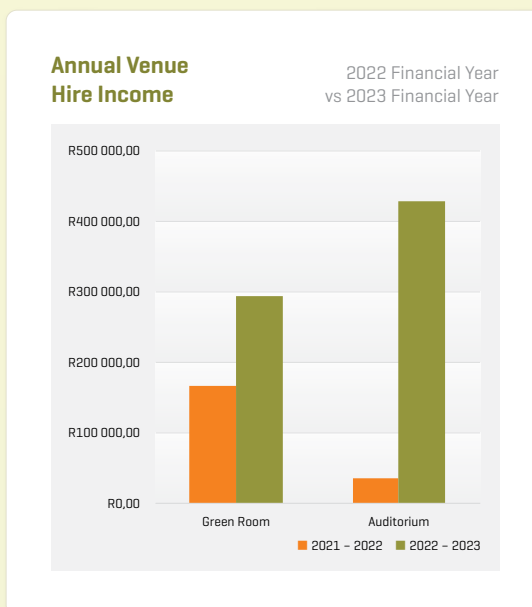
b. Parking rental

Similar to office rentals, we have also witnessed a slight increase in parking bay rentals. As more people return to their workplaces, we anticipate further growth in parking rental numbers.



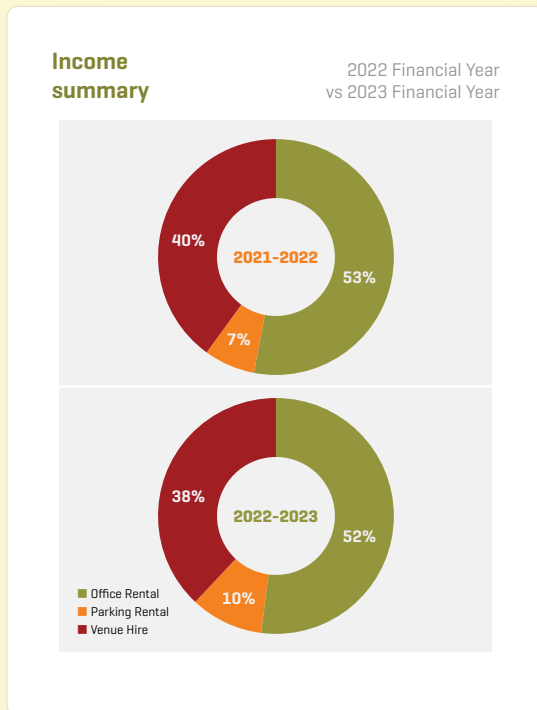
c. Venue hire

Interestingly, many clients still prefer online gatherings over in-person bookings, indicating the comfort of virtual meetings, over the impact of potential in-person relationship-building and networking. We also think this has to do with financial resource challenges and cost-saving. Our venue bookings nonetheless increased slightly.



Income summary

Overall, there was a slight increase in 2022-2023 income compared to the 2021-2022 financial year. This can be attributed to a gradual shift from remote work to a more in-office approach as Covid-19 restrictions eased.



Facilities overview

Load-shedding contingency

Building on the progress made in the previous year, we have extended the inverter system's coverage to supply electricity to our boardroom, bathrooms, and staff kitchen. In the 2023-2024 financial year, we plan to closely monitor electricity usage and explore further interventions to enhance energy resilience.

Funding Finder database

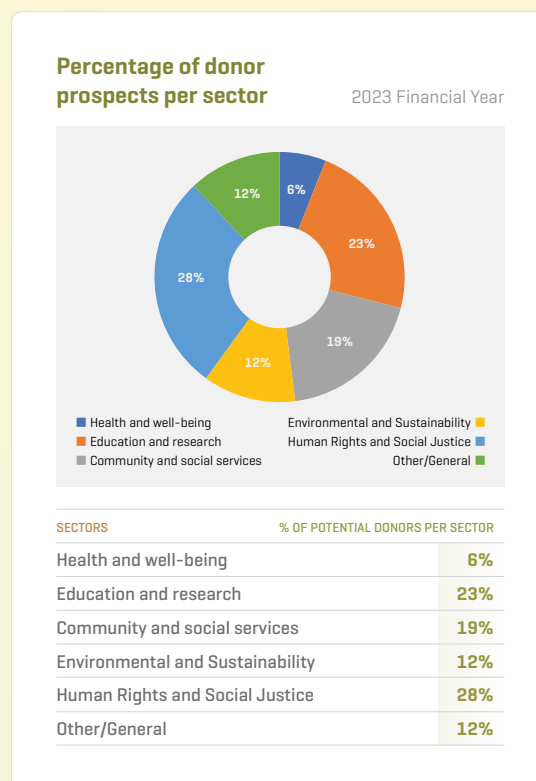
Donor prospects

From the Funding Finder database, it has become evident that potential donors exhibit varying degrees of interest regarding their willingness to fund specific sectors within the non-profit sector.

The data from the Funding Finder database indicates that the sector receiving the highest support among donors is 'Human Rights and Social Justice', garnering an impressive 28%. Following closely behind, is

'Education and Research' at 23%, and 'Community and Social Services' at 19%, emphasising the importance that donors place on supporting these focus areas.

Furthermore, 'Environmental and Sustainability' has captured the attention of 12% of donors, highlighting the increasing concern for environmental issues. The sectors of 'Health and Well-being' and 'Other/General' have also found favour among 6% and 12% of donors, respectively. These insights can guide non-profit organisations in tailoring fundraising efforts and campaigns towards the sectors that resonate most with potential donors, thereby maximising the impact and effectiveness in securing vital resources for their mission.

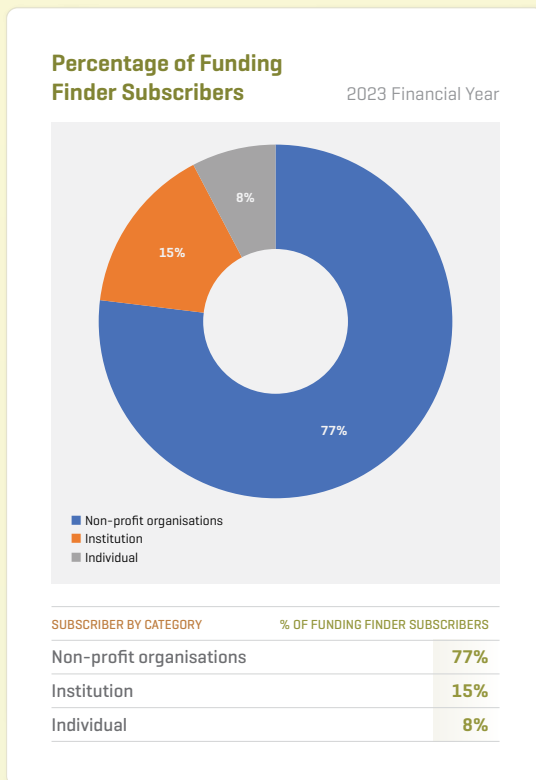


Subscription

The subscription data for the financial year spanning March 2022 to February 2023 reveal significant insights into the composition of our Funding Finder database users. Among the subscribers, non-profit organisations emerge as the dominant category, constituting a substantial 77% of the user base. This underscores the pivotal role our platform plays in supporting the activities and fundraising efforts of these crucial entities, dedicated to various causes. Institutions make up the second-largest group,

representing 15% of our subscribers, emphasising our database’s appeal and relevance to academic, governmental, and other institutional users.

Finally, individual subscribers, at 8%, contribute to the diverse and dynamic community of users, indicating that our database serves as a valuable resource for individuals interested in philanthropy and social impact initiatives. These statistics provide valuable insights into the user base’s composition, enabling us to better tailor our services to meet the distinct needs of these different categories of subscribers.



Website

The Inyathelo website serves as a valuable tool for promoting the Inyathelo brand and showcasing our resources effectively.

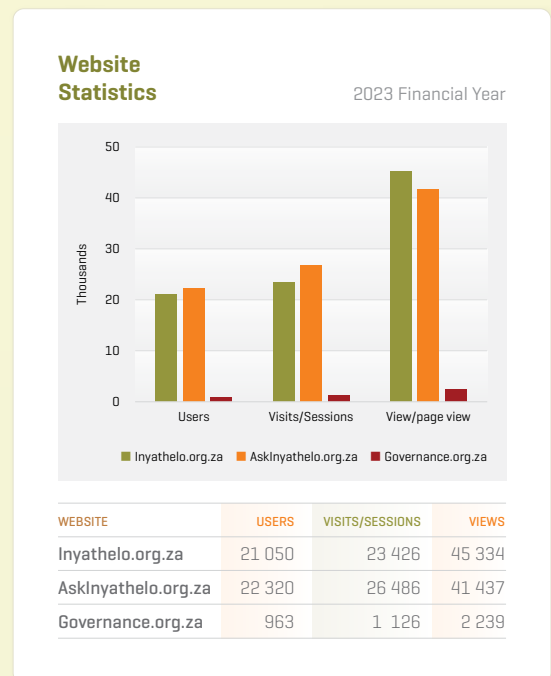
In October 2022, our flagship Inyathelo website underwent a meticulously planned maintenance phase and was earmarked for an upgrade. This move exemplifies our proactive commitment to ensuring not just optimal performance, but also an exceptional user experience. While this period of maintenance may have brought about temporary downtime, it was an indispensable step to integrate substantial improvements and enhancements. These steps have

not only maintained the website’s current status but also kept it highly responsive to the ever-evolving needs and preferences of our valued visitors.

It’s also noteworthy that our website boasts full responsiveness, providing a seamless and delightful viewing experience across an array of devices. This responsiveness underscores our commitment to accessibility and user satisfaction.

Moreover, we have taken a proactive step in introducing and structuring the NPO Amendment Bill page on our website. This strategic move effectively facilitates communication and progress tracking, further solidifying our commitment to transparency and the timely dissemination of crucial information. By doing so, we are not only serving as a source of information but also as a beacon of trust and reliability in our field.

In summary, the Inyathelo website is more than just a digital presence, it’s a thriving hub of innovation, accessibility, and transparency. It embodies our dedication to excellence in every facet of our online engagement, ensuring that we continue to connect, inform, and inspire our audience.



Conclusion

The Inyathelo team made sterling efforts to utilise the physical, human and financial resources, and yielded good results, despite the challenging landscape.

VOICE AND VISIBILITY: INYATHELO STRATEGIC COMMUNICATIONS

Feryal Domingo

ACTING EXECUTIVE DIRECTOR, INYATHELO



Traditional media

This year was challenging for traditional media, with print in decline and circulation losses among daily, weekly and weekend newspapers. Donor-dependent news sources were vulnerable, with the closure of New Frame, a not-for-profit, social justice publication. More positively, a survey of commercial radio stations showed a 36% increase in radio listenership during the lockdown.

Inyathelo focused on maintaining its media presence by maximising publicity opportunities offered by events taking place within the civil society and education sectors, and also opportunities presented by newsworthy events at Inyathelo itself.

Some of these opportunities included the proposed legislation around the NPO Amendment Bill, the challenges faced by many NPOs to generate profits in the pandemic environment, the latest ASPIHE research findings, and the first cohort of Postgraduate Diploma in Philanthropy and Resource Mobilisation students at the Centre on African Philanthropy and Social Investment at Wits Business School.

Selected guest contributor articles in the 2021-2022 Inyathelo annual report were also offered to the media.

Some of Inyathelo's media releases and coverage included:

- How to find donors for your NPO
<https://www.bizcommunity.com/Article/196/849/227305.html>
- ASPIHE R1.94 billion philanthropic and SETA funding for 10 SA universities
<https://www.skillsportal.co.za/content/r194-billion-philanthropic-and-seta-funding-10-sa-universities>
- The crucial role of non-profit financial management
<https://cfo.co.za/articles/the-crucial-role-of-non-profit-financial-management/>
- How can institutions play an anchoring role in communities?
<https://www.universityworldnews.com/post.php?story=20220808155245590>
- Students on final study stretch for flagship philanthropy qualification
<https://www.careersportal.co.za/features/students-on-final-study-stretch-for-flagship-philanthropy-qualification>
- BizTrends 2023: Trends to look out for in the non-profit sector in the wake of the Covid-19 pandemic and in the light of proposed legislative changes
<https://www.bizcommunity.com/Article/196/721/234948.html>

Resulting coverage included an Interview at the Inyathelo offices with the *Daily Maverick* on the ramifications of the NPO Amendment Act. An article on the main findings of the ASPIHE report was published in the *Sunday Times* corporate social investment supplement.

Two major events at Inyathelo – its 20th anniversary celebration, and marking World NGO day – also generated media interest and coverage.

Media coverage from March 2022 to end-February 2023 totalled:

 **30** Total clips (print, broadcast and online)

 **19 691 050** Total reach

 **R1 425 159** Total advertising value equivalency (AVE)

In addition to direct media interventions, there was also considerable communications copywriting and editing. These included:

Annual Report: Writing and editing departmental reports and sourcing images. Briefing documents for graphic design, guest contributors and editing their articles. Liaising with the Inyathelo editorial team, and proof-reading.

Website: Drafting new copy for the updated website and writing blog posts.

NPO Working Group: Writing up online meetings, drafting and editing correspondence to government departments.

External communications: Covering letters for information portal emails, annual report distribution, year-end messages, and more.

Inyathelo workshops: Writing report-backs and photography at training events.

20th birthday: Scriptwriting, photography and editing the Inyathelo video, and photography of the event.

Digital Media

Inyathelo's social media platforms have experienced substantial growth and engagement, with different platforms catering to specific interests of its audience. LinkedIn has shown rapid growth, while Facebook maintains a diverse international audience. Twitter continues to offer valuable information and advice to NPOs, drawing engagement on a wide range of topics.

LinkedIn

Inyathelo's LinkedIn page has experienced remarkable growth over the past year, with the number of followers more than doubling. Inyathelo currently has 2018 followers on LinkedIn, indicating substantial progress from the previous year. In addition, impressions on the platform have reached 63 810 in the past year, demonstrating the engagement of its audience. Typically, Inyathelo's LinkedIn posts generate more click-throughs, likes, shares and comments than all its other platforms combined.

 **2018** LinkedIn followers

 **63 810** Impressions on the platform

 **54%** of Inyathelo's total LinkedIn followers are concentrated in Cape Town and Johannesburg

Notably, 54% of Inyathelo's total LinkedIn followers are concentrated in Cape Town and Johannesburg. The remainder are distributed across various regions in South Africa, with a modest international presence, primarily from the United Kingdom.

In terms of content engagement, Inyathelo has identified several key areas of interest on LinkedIn. These include discussions related to advertising and feedback on Inyathelo events, such as the World NGO Day event, the #ChatOnTheCouch series, and Inyathelo's 20th anniversary celebrations. Additionally,

articles generated by Inyathelo, such as '10 Tips for Writing Effective Funding Proposals,' NPO Working Group feedback, and the 2021-2022 annual report, have garnered significant attention. The audience also exhibits a keen interest in articles that provide support for NPOs, encompassing topics like the role of NPOs in South Africa, tax advice, changes to Section 18A, and grant application information.

The #ChatOnTheCouch series consisted of a series of audio interviews:

- Inyathelo spoke to several leaders from Community Action Networks (CANs) who participated in Inyathelo's Sustainable Pathways Programme. In a series of audio interviews, they shared their insights and reflections on their experiences.
- During the #WorldNGODay celebrations, Inyathelo interviewed some guests about their inspiring work at their non-profit organisations. These interviews gave Inyathelo the opportunity to engage with non-profit leaders, understand their work, and use Inyathelo platforms to share their work with a larger audience.



Facebook and Instagram

Inyathelo's Facebook page has a following of 4800 people, and Instagram a following of 850 people. Over the past year, the page's articles have reached an impressive 13 501 users.

 **4800** Facebook followers

 **850** Instagram followers



The geographic distribution of Facebook followers is noteworthy, with 27% from Cape Town and 4% from Johannesburg. Approximately 10% of the followers originate from various countries worldwide.

On Facebook, Inyathelo's audience demonstrates a keen interest in topics such as social media for non-profits, fundraising and funding, and articles on special events. In addition, topics like funding opportunities and calls for proposals, fundraising advice, changes to Section 18A compliance rules, and information on the Postgraduate Diploma in Philanthropy and Resource Management have garnered significant attention. Instagram sees similar trends in the content that followers respond to, but with slightly higher engagement rates than Facebook.

Twitter (X)

On Twitter, Inyathelo maintains an engaged audience by curating information and advice relevant to South African non-profits. Popular content includes "How to" guides, announcements about upcoming webinars, workshops and symposiums, social media, technology, and tech tips tailored for non-profits, as well as news articles covering happenings at various non-profit organisations.

 **7590** Twitter (X) followers

Original Inyathelo-authored articles, such as '10 Tips for Writing Effective Funding Proposals' and 'The Power Of Collaboration: Why Involving The Full Team Matters In NPO Fundraising,' have garnered substantial attention. Notably, Twitter discussions also revolve around philanthropy, with a focus on African philanthropy, higher education, early childhood development (ECD), and general education. Additionally, Twitter followers engage with content related to social issues like food insecurity, unemployment, youth and literacy.

INYATHELO'S FINANCIAL JOURNEY

Soraya Joonas
FINANCE DIRECTOR, INYATHELO



As part of their due diligence, funders conduct financial sustainability checks to ensure that the NPO they are going to partner with has longevity. Part of the finance division's role at Inyathelo, with its first-hand knowledge of building reserves, has evolved into financial sustainability and resilience programming where we impart approaches and techniques to building non-profit reserves. This offering includes reserve strategy and policy formulation.

The trajectory of Inyathelo's own financial sustainability has been one of planned growth and financial rigour and prudent financial management, but mostly based on pure grit in the case of our entire team of dedicated staff who have tirelessly ensured income generation and savings. The growth of reserves does not merely sit with the leadership of the organisation or the finance office as custodians of funds and comprehensive organisational budgeting, but is an entire organisation-wide ethos of income generation. For this, I thank the entire Inyathelo team for helping us to get to where we are today financially.

When I joined Inyathelo in 2007, the seeds of a modest reserve savings of R2-million had just been planted. These savings had grown to R56.9-million at the end of the 2022-23 financial year. These are the fruits of a deliberate financial sustainability strategy implemented by the organisation over time.

Inyathelo operates two reserves; an operational reserve and a sustainability reserve. The operational cash reserve is meant to alleviate cash flow stress due to delayed contract payments, for emergencies, and to provide room to breathe and be innovative. The sustainability portfolio reserve has been ringfenced separately as a long-term investment in a balanced, risk-averse portfolio which our philanthropy management advisors, Nedbank Wealth (with oversight by Inyathelo's Finance Sub-co), have managed in keeping with our non-profit mindset. Our original intention for this reserve was to reach a level of endowment in order for the income to supplement the operational budget. For the past 17 years, all interest and dividends have been recapitalised in the sustainability reserve.



Thank you to the entire Inyathelo team for helping us to get to where we are today financially.

The level of Inyathelo reserves translates into something unique in the sector, meaning that Inyathelo, in a worst case scenario, has over six years of operating reserve (including inflation) covered,

should there be zero additional income coming through. Traditionally, non-profits have been averse to showing a reserve balance on their balance sheet as this could dissuade funders from supporting an organisation that looked like it was in a healthy financial position to fund its work, and wasn't financially desperate. However, we find that today, donors are encouraged by reserve savings as it demonstrates non-profit resilience and planning for financial sustainability and a degree of self-sufficiency.

It has not been easy sailing however, and as an organisation's reserves grow, so does its need to protect it – not only from internal kneejerk expenditure, but from external stakeholders who target ways to overtake, manage and/or indirectly benefit from a non-profit's reserves. This, unfortunately, is the reality of the capitalistic environment we live in and, while Inyathelo has not been sheltered from these threats, it must be recognised that continuing to grow this nest egg and protecting it, has been no easy feat.

Between the period of 2015-2021, Inyathelo showed tenacity and resilience through two leadership crises and a pandemic, where despite these challenging times, Inyathelo still made concerted efforts to generate varied income, budget holistically and save towards reserves in a climate of reduced donor funding support. Since 2015, reserve growth was ensured consistently and Inyathelo managed to save on average R2-million every year towards reserves. It wasn't always easy but over the journey the team reached unity in the ethos of saving for a rainy day.

Today, since the pandemic where we have seen many non-profits shut their doors, no-one needs convincing of the need to embed a culture of reserve savings within our organisations. In fact, we have seen the impact of reserve planning intervention, with a non-profit pioneering the evolution of non-profit reserves by including it as an organisational budget line item. Consequently, the donor community with whom they work has been receptive to this evolution. This was never common practice in a non-profit South African context, it still isn't, but we are breaking new ground on non-profit financial sustainability.

Many of our non-profit peers are making a concerted effort to maintain a growth reserve strategy and savings to build their organisation with strategic investment reserves and to protect their employees

with retrenchment reserves. We also see donors with great foresight, such as the Raith Foundation, focusing on this area to ensure their grantees are financially stable into the future.

As a retention strategy non-profits are trying to be more deliberate about building transitional pension plans and medical aid scheme savings, which non-profit employees are equally deserving of, just as their corporate counterparts are. If we are social justice organisations that advocate for such causes in our communities, then this justice must be widespread within the very core values in how we care for our employees.

This begs the question of *How much is too much? Or To what end are we building reserves?* Organisations must recognise that where reserves are concerned, it is important to have adequate policies in place, so that reserves are in fact used for the intention and purpose for which they were established. This means utilising funds for a rainy day when it is in fact raining, and leveraging funds to unleash creativity to proactively champion causes as they emerge, particularly in social movements and societal issues. This is integral to the Advancement framework we advocate, which makes an organisation attractive for investment due to their voice, visibility and the timely and effective achievement of their purpose.

For the financial year 2022-23 Inyathelo showed an operating surplus of R1.5-million and an overall surplus of R3.6-million, with a growth in reserves of R2.9-million to reach R56.9-million in reserves. Under the leadership of our acting Executive Director Feryal Domingo, over the past financial year, we have continued our savings and did not use cash reserves for any operational requirements.

Inyathelo also operates a non-profit Civil Society Sustainability Hub valued at approximately R20-million where non-profit organisations are housed and interact, which helps to strengthen these institutions.

Inyathelo's organisational family over the past year has consisted of 10 longstanding staff members who have been totally dedicated, are immensely talented, and in their own right, are financial sustainability champions. I wish to extend my heartfelt appreciation for their unwavering commitment to securing Inyathelo's financial future.

FINANCIAL REPORT

The South African Institute for Advancement Trust

For the year ended 28 February 2023

General Information

Country of incorporation and domicile:

South Africa

Nature of business:

The trust is a non-profit organisation of a public character, established for the sole object of providing support to the beneficiaries to ensure professional and sustainable approaches in acquiring resources for their advancement goals, while promoting national social responsibility and personal philanthropy partnerships.

Trustees:

Dr R Ally [Chairperson]
N Dlamini [Resigned June 2022]
I Noko [Treasurer]
M Abrahams [Secretary]
V Manuel

Trading as:

Inyathelo

Registered office:

Mazars House
Rialto Road, Grand Moorings Precinct
Century City, 7441

Bankers:

Nedbank, a division of
Nedcor Bank Limited

Auditor:

Mazars in South Africa
Registered Auditors
Practice number: 900222

Masters reference number:

IT 2285/2002

NPO number:

023-432-NPO

Level of assurance:

These annual financial statements have been audited in compliance with the applicable requirements of the Trust Deed.

Preparer:

The annual financial statements were independently compiled by:
Gerard Lategan, Associate General Accountant [SA]

Issued:

04 July 2023

INDEX

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
28 FEBRUARY 2023

The reports and statements set out below comprise the annual financial statements presented to the trustees:

INDEX	PAGE
Trustees' Responsibilities and Approval	60
Independent Auditor's Report	61 - 62
Trustees' Report	63
Statement of Financial Position	64
Statement of Profit or Loss and Other Comprehensive Income	65
Statement of Changes in Equity	65
Statement of Cash Flows	66
Accounting Policies	66 - 67
Notes to the Annual Financial Statements	68 - 71
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Income Statement	72



The trajectory of Inyathelo's own financial sustainability has been one of planned growth and financial rigour and prudent financial management, but mostly based on pure grit in the case of our entire team of dedicated staff who have tirelessly ensured income generation and savings.



TRUSTEES' RESPONSIBILITIES AND APPROVAL

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

The trustees are required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the trust as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the trust's accounting policies, as disclosed in note 1 of the annual financial statements. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the trust's accounting policies and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the trust and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the trustees set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the trust and all employees are required to maintain the highest ethical standards in ensuring the trust's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the trust is on identifying, assessing, managing and monitoring all known forms of risk across the trust. While operating risk cannot be fully eliminated, the trust endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and

ethical behaviour are applied and managed within predetermined procedures and constraints.

The trustees are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The trustees have reviewed the trust's cash flow forecast for the year to 29 February 2024 and, in the light of this review and the current financial position, they are satisfied that the trust has, or has access to, adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the trust's annual financial statements. The annual financial statements have been examined by the trust's external auditors and their report is presented on pages 61 to 62.

The annual financial statements and supplementary information set out on pages 64 to 71, which have been prepared on the going concern basis, were approved by the trustees and were signed on its behalf by:

Dr R Ally

Dr. R Ally

CHAIRPERSON

I Noko

I Noko

TREASURER

Date: July 4, 2023

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST

Opinion

We have audited the annual financial statements of The South African Institute for Advancement Trust ("the Trust") set out on pages 64 to 71, which comprise the statement of financial position as at 28 February 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements of The South African Institute for Advancement Trust for the year ended 28 February 2023 are prepared, in all material respects, in accordance with the basis of accounting described in note 1 to the annual financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants [including International Independence Standards]*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Matter 01: Basis of Accounting

We draw attention to note 1 to the annual financial statements, which describes the basis of accounting.

The annual financial statements are prepared in accordance with the Trust's own accounting policies to satisfy the financial information needs of the Trust's trustees. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

The trustees are responsible for the other information. The other information comprises the information included in the document titled *"The South African Institute for Advancement Trust Annual Financial Statements for the year ended 28 February 2023"*, which includes the Trustees' Report and the supplementary information presented on page 72. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Trustees for the Annual Financial Statements

The trustees are responsible for the preparation of the annual financial statements in accordance with the basis of accounting described in note 1, and for such internal control as the trustees determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the trustees are responsible for assessing the Trust's

ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures

that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Mazars

WIHANN RABE

REGISTERED AUDITORS

DATE: 04 JULY 2023

CAPE TOWN

TRUSTEES' REPORT

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

The trustees submit their report for the year ended 28 February 2023.

1. Review of activities

The operating result and state of affairs of the trust are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

The trust carries on the business of developing and training similar organisations to obtain funding.

2. Trustees

The trustees of the trust during the year and to the date of this report are as follows:

TRUSTEES

Dr R Ally [Chairperson]

N Dlamini [Resigned June 2022]

I Noko [Treasurer]

M Abrahams [Secretary]

V Manuel

3. Events after the reporting period

The trustees are not aware of any material event which occurred after the reporting date and up to the date of this report.

4. Going concern

The trustees believe that the trust has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The trustees have satisfied themselves that the trust is in a sound financial position to meet its foreseeable cash requirements. The trustees are not aware of any new material changes that may adversely impact the trust. The trustees are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the trust.

5. Auditors

Mazars was the auditor for the year under review and their re-appointment is dependent on a resolution taken to that effect by the trustees at the forthcoming annual general meeting.

6. Investment strategy

Inyathelo operates a balanced portfolio strategy which looks to achieve total returns of inflation plus 3-5% over a rolling 5 year period. This strategy seeks to balance income and real capital growth objectives. The trustees believe that the strategy is appropriate for investors who want to see reasonable capital growth over the medium to long term, as well as earn reasonable income from their investment. Inyathelo also manages savings in cash reserves [governed by a Board reserve policy] in addition to the investment portfolio, to mitigate risk.

STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2023

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

FIGURES IN RAND	NOTES	2023	2022
Assets			
Non-Current Assets			
Property, plant and equipment	2	-	-
Investments	3	41,445,287	38,092,326
		41,445,287	38,092,326
Current Assets			
Trade and other receivables	4	-	36,590
Cash and cash equivalents	5	18,061,473	19,801,233
		18,061,473	19,837,823
Total Assets		59,506,760	57,930,149
Equity and Liabilities			
Equity			
Trust capital	6	100	100
General reserves	7	56,898,213	54,020,059
Designated funds		2,088,240	1,380,931
		58,986,553	55,401,090
Liabilities			
Current Liabilities			
Trade and other payables	8	520,207	2,529,059
Total Equity and Liabilities		59,506,760	57,930,149

Note A: The institute currently owns an income generating property at a cost of R16,160,830.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

FIGURES IN RAND	NOTES	2023	2022
Revenue	9	4,650,577	3,335,929
Other income	10	4,819,185	4,338,912
Operating expenses		<u>(7,975,027)</u>	<u>(7,380,899)</u>
Operating surplus	11	1,494,735	293,942
Fair value adjustments	12	2,077,841	3,214,075
Profit (loss) on disposal of investments		<u>12,887</u>	<u>(89,297)</u>
Surplus for the year		3,585,463	3,418,720
Other comprehensive income		-	-
Total comprehensive income for the year		3,585,463	3,418,720

Note A: Surplus will continue to fund the growth reserves as per the organisation's consistent sustainability strategy and will partly fund shortfalls in the following year as per the diversified income generation strategy approach.

Note B: The organisation did not outsource contracted Consultants but uses the expertise of existing in-house qualified salaried staff to conduct programme capacity building and advocacy work.

STATEMENT OF CHANGES IN EQUITY

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

FIGURES IN RAND	TRUST CAPITAL	GENERAL RESERVES	DESIGNATED FUNDS	TOTAL EQUITY
Balance at 01 March 2021	100	51,676,099	306,171	51,982,370
Surplus for the year	-	-	3,418,720	3,418,720
Transfer from general reserve	-	2,343,960	<u>(2,343,960)</u>	-
Balance at 01 March 2022	100	54,020,059	1,380,931	55,401,090
Surplus for the year	-	-	3,585,463	3,585,463
Transfer to general reserve	-	2,878,154	<u>(2,878,154)</u>	-
Balance at 28 February 2023	100	56,898,213	2,088,240	58,986,553
Notes	6	7		



STATEMENT OF CASH FLOWS

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

FIGURES IN RAND	NOTES	2023	2022
Cash flows from operating activities			
Cash (used in) generated from operations	13	(3,071,163)	1,040,804
Interest income		1,539,787	1,285,969
Dividends received		1,068,781	513,500
Net cash from operating activities		(462,595)	2,840,273
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(14,932)	(385,718)
Proceeds on disposal of investments		7,046,856	941,920
Purchase of investments		(8,309,089)	(1,939,528)
Net cash from investing activities		(1,277,165)	(1,383,326)
Total cash movement for the year		(1,739,760)	1,456,947
Cash at the beginning of the year		19,801,233	18,344,286
Total cash at end of the year	5	18,061,473	19,801,233

ACCOUNTING POLICIES

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

1. Presentation of annual financial statements

The annual financial statements have been prepared on a going concern basis in accordance with the accounting policies as set out below. The annual financial statements have been prepared using a combination of the historical cost basis and fair value basis of accounting. They are presented in South African Rands. These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

Property, plant, and equipment are initially recorded in the financial statements at their acquisition cost. Subsequently, the entire cost is expensed in the year when these assets are first utilized. It is important to note that land and buildings, although recorded at their purchase cost, are not subject to depreciation in the year of acquisition.

ACCOUNTING POLICIES

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

1.2 Investments

Investments are recognised and derecognised on a trade date basis when investments are acquired and disposed of. Investments are measured initially at cost and subsequently at fair value through surplus or deficit for the year. Gains and losses arising from changes in the fair value of investments are included in surplus or deficits for the year.

1.3 Trade and other receivables

Trade and other receivables are recognised and carried at the original invoice amount.

1.4 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Operating leases – lessee

Operating lease payments are recognised as an expense as it is due.

1.5 Trade and other payables

Trade and other payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest method.

1.6 Revenue

Funding that imposes specified future performance conditions is recognised in line with the grant agreements. Funding that does not impose specified future performance conditions is recognised as donations when the funding is received. Interest is recognised, in surplus or deficit, using the effective interest method. Dividends are recognised, in surplus or deficit, when the trust's right to receive payment has been established.

1.7 Other income

Other income is derived from facilitation fees, consulting work, income from workshops, cost recoveries, Funding Finder database and hub conferencing and rental activities. This is recognised in surplus or deficit to the extent that the trust has transferred the significant risk and rewards of ownership of goods to the buyer or provided the services under an agreement.

1.8 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank balances and short-term deposits. These are initially and subsequently recorded on the historical cost basis.

1.9 General reserves

The designated reserve represents funds that are restricted and allocated for programme use and a portion of self-generated earned income to help fund the organisational budget in the subsequent year. The general reserve comprises the investment portfolio (Sustainability Reserve) and cash reserves (Operational Reserve) and includes a portion of cash equivalents.

1.10 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay), are recognised in the period in which the related service is rendered and are not discounted.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

FIGURES IN RAND

2023

2022

2. Property, plant and equipment

	2023			2022		
	COST	ACCUMULATED DEPRECIATION/ LAND AND BUILDINGS WRITE-OFF	CARRYING VALUE	COST OR REVALUATION	ACCUMULATED DEPRECIATION/ LAND AND BUILDINGS WRITE-OFF	CARRYING VALUE
Buildings (note 1)	16,160,830	[16,160,830]	-	16,160,830	[16,160,830]	-
Audiovisual equipment	221,002	[221,002]	-	221,002	[221,002]	-
Furniture and fittings	1,916,435	[1,916,435]	-	1,918,175	[1,918,175]	-
Office equipment	342,596	[342,596]	-	343,043	[343,043]	-
Computer equipment	575,991	[575,991]	-	1,180,653	[1,180,653]	-
Telephone equipment	252,873	[252,873]	-	252,873	[252,873]	-
Total	19,469,727	[19,469,727]	-	20,076,576	[20,076,576]	-

Reconciliation of property, plant and equipment - 2023

	OPENING BALANCE	ADDITIONS	DEPRECIATION	CLOSING BALANCE
Office equipment	-	14,932	[14,932]	-

Reconciliation of property, plant and equipment - 2022

	OPENING BALANCE	ADDITIONS	DEPRECIATION	CLOSING BALANCE
Office equipment	-	103,224	[103,224]	-
Computer equipment	-	244,330	[244,330]	-
Telephone equipment	-	38,164	[38,164]	-
	-	385,718	[385,718]	-

Note 1: The institute currently owns an income-generating property at a cost of R16,160,830.

3. Investments

At fair value

Listed shares at market value	41,445,287	38,092,326
-------------------------------	------------	------------

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023



FIGURES IN RAND	2023	2022
4. Trade and other receivables		
VAT	-	36,590
5. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	(5,535)	(587)
Bank balances	18,067,008	19,801,820
	18,061,473	19,801,233
6. Trust capital		
Capital account		
Initial donation	100	100
7. General reserve		
Balance at the beginning of the year	54,020,059	51,676,099
Movement during the year	2,878,154	2,343,960
	56,898,213	54,020,059
Comprising:		
Sustainability reserve	42,113,857	38,692,311
Operational reserve	14,784,356	15,327,748
	56,898,213	54,020,059
8. Trade and other payables		
Amounts received in advance	135,266	2,295,866
Value added tax	4,942	-
Gross amounts due to customers	50,000	-
Accrued leave pay	224,225	144,221
Other accrued expenses	40,847	24,045
Deposits received	64,927	64,927
	520,207	2,529,059
9. Revenue		
Donations	2,500	18,113
Grants received	4,648,077	3,317,816
	4,650,577	3,335,929
10. Other income		
Dividends received	1,066,513	513,500
Interest received	1,539,787	1,285,969
Other income	2,212,885	2,539,443
	4,819,185	4,338,912

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

FIGURES IN RAND

2023

2022

11. Operating surplus

Operating surplus for the year is stated after accounting for the following:

Operating lease charges

Premises		
• Contractual amounts	314,596	297,362
Profit (loss) on disposal of investments	12,887	(89,297)
Depreciation on property, plant and equipment	14,932	385,718
Employee costs	4,733,234	4,874,683
Programmes and projects	1,131,343	842,977

The organisation did not outsource contracted Consultants but uses the expertise of existing in-house qualified salaried staff to conduct programme capacity building and advocacy work.

12. Fair value adjustments through Statement of Profit or Loss and Other Comprehensive Income

Investments	2,077,841	3,214,075
-------------	-----------	-----------

13. Cash (used in) generated from operations

Surplus before taxation	3,585,463	3,418,720
Adjustments for:		
Depreciation	14,932	385,718
[Surplus] deficit on sale of assets	(12,887)	89,297
Dividends received	(1,068,781)	(513,500)
Interest received	(1,539,787)	(1,285,969)
Fair value adjustments	(2,077,841)	(3,214,075)
Changes in working capital:		
Trade and other receivables	36,590	(19,414)
Trade and other payables	(2,008,852)	2,180,027
	(3,071,163)	1,040,804

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023



FIGURES IN RAND

2023

2022

14. Commitments

Operating leases – as lessee (expense)

Minimum lease payments due

- within one year	198,428	218,592
- in second to fifth year inclusive	-	22,180
	<u>198,428</u>	<u>240,772</u>

Operating lease payments represent rentals payable by the trust for equipment. The lease escalates at 7.5% per annum and is negotiated for a period of 36 months.

Consulting contracts

Minimum lease payments due

- within one year	<u>604,722</u>	<u>604,722</u>
-------------------	----------------	----------------

Consulting contracts represent consulting fees payable by the trust for consulting services. The contracts are renewed on an annual basis at rates agreed upon between the trust and the service provider.

Rentals to be received

- within one year	<u>51,441</u>	<u>566,943</u>
-------------------	---------------	----------------

15. Tax

The trust has been approved as a public benefit organisation in terms of Section 30 of the Income Tax Act. The receipts and accruals of the trust are exempt from tax in terms of Section 10(1)(cN) of the Income Tax Act. No provision has been made for taxation as the trust has no taxable income for the year. The trust has also been approved as a public benefit organisation for purposes of Section 18A(1)(a) of the Income Tax Act.

16. Going concern

The trustees believe that the trust has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The trustees have satisfied themselves that the trust is in a sound financial position to meet its foreseeable cash requirements. The trustees are not aware of any new material changes that may adversely impact the trust. The trustees are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the trust.

17. Events after the reporting period

The trustees are not aware of any material event which occurred after the reporting date and up to the date of this report.

DETAILED INCOME STATEMENT

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

FIGURES IN RAND	NOTES	2023	2022
Revenue			
Grants received		4,648,077	3,317,816
Donations		2,500	18,113
	9	4,650,577	3,335,929
Other income			
Cost recovery fees		2,212,885	2,539,443
Interest received		1,539,787	1,285,969
Dividends received		1,066,513	513,500
		4,819,185	4,338,912
Operating expenses			
Audit and accounting fees		232,307	192,046
Bank and portfolio management charges		384,969	358,212
Database		14,532	11,473
Depreciation		14,932	385,718
General expenses		16,015	12,117
Hire of equipment		37,565	32,080
Insurance		41,045	37,456
Printing, stationery, postage and office supplies		68,103	69,998
Professional and legal fees		655,059	-
Programmes and projects		1,131,027	844,936
Rates and levies		314,596	297,362
Repairs and maintenance		166,647	119,656
Salaries		4,733,234	4,874,683
Staff insurance and organisational development		100,241	85,404
Telecommunication		26,165	20,150
Travel - international and local		1,471	-
Website hosting and internet		37,118	39,609
		7,975,026	7,380,900
Operating surplus	11	1,494,736	293,941
Investment income			
Fair value adjustments	12	2,077,841	3,214,075
Profit (loss) on disposal of investments		12,887	[89,297]
		2,090,728	3,124,778
Surplus for the year		3,585,464	3,418,719

Note A: Surplus will continue to fund the growth reserves as per the organisation's consistent sustainability strategy and will partly fund shortfalls in the following year as per the diversified income generation strategy approach.

Note B: The organisation did not outsource contracted Consultants but uses the expertise of existing in-house qualified salaried staff to conduct programme capacity building and advocacy work.



Inyathelo is experienced by Philanthropy as a trusted partner for bridging collaboration and fostering innovation.




Second Floor, The Armoury, Buchanan Square,
160 Sir Lowry Road, Woodstock, 7925, Cape Town, South Africa


Telephone: +27 21 465 6981/2 · Email: info@inyathelo.org.za

www.inyathelo.org.za

 www.facebook.com/inyathelo

 www.twitter.com/inyathelo

 www.linkedin.com/company/inyathelo-the-south-african-institute-for-advancement

 [@inyathelo](https://www.instagram.com/inyathelo)

NPO REGISTRATION: 023-432-NPO · TRUST REGISTRATION: IT2285/2002

Layout and design by Kult Creative



Inyathelo subscribes to The Independent Code of Governance for
Non-profits in South Africa