Fossil Free South Africa
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www.fossilfreesa.org.za

Fossil Free South Africa
Governance Policy and Procedure Manual

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This document augments Fossil Free South Africa's (FFSA) voluntary association constitution and sets out core organisational policies, procedures and governance commitments.

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A. About Fossil Free South Africa

FFSA is a South African civil society organisation that is concerned about climate change as a profound threat to human rights and our collective prosperity. FFSA works to create public understanding that the fossil fuel industry, globally and in South Africa, bears an overwhelming share of the responsibility for fuelling ongoing climate change.

Our vision is a low-carbon, climate-resilient, energy-efficient, socially just and democratic society in South Africa.

Our principal work is to advocate for urgent divestment from fossil fuels by universities, unions, churches, civil society organisations – and indeed, all investment funds – as part of the global divestment movement.

Most FFSA Management Committee members are volunteers and much of FFSA's activism and collaborative work has been done on a voluntary basis. Funds are raised, where possible, to accelerate FFSA's work and provide some remuneration to those involved in day-to-day activities.

FFSA, which is set up as a voluntary association, is registered as a:

- Public Benefit Organisation with PBO number: 930049178
- Non-Profit Organisation: 149-064-NPO (SARS)

FFSA aims to minimise fixed infrastructure and permanent employees to ensure minimal operational and sunk costs and simply management requirement.

FFSA Aim and objectives

The Association is a voluntary, non-profit organisation established for the public benefit, and with the aim of encouraging the reduction of greenhouse gas emissions that cause climate change by advocating reductions in and ultimately elimination of the combustion of fossil fuels through human activities.

The main objectives of the Association include:
- to encourage universities, companies, organisations, and public and private investors to divest from fossil fuel and related investments, and to cease activities that support the fossil fuel economy and in other ways worsen climate change and ocean acidification through emissions of greenhouse gases; and
- to encourage the investment of divested funds and future investments in a manner that will accelerate a transition to renewable energy systems that

lower environmental and human impact, and that builds a more democratic, equitable, diversified and distributed energy infrastructure.

FFSA approach

- FFSA uses a mixed approach of pressure through protest and petition, and open communications and collaboration.
- FFSA works with a diverse set of stakeholders and organisations, including ordinary savers and investors, investing institutions such as universities, cities, churches, unions and foundations.
- FFSA also educates people about the urgency of addressing climate change, and the links between personal finances and the structure of the energy economy.
- FFSA urges people to engage, both as individuals and as members of communities with joint investments, with their investment managers and pension fund trustees, to insist that those investments be decarbonised as far as possible.
- FFSA collaborates with other civil society organisations to lobby industry and government on the need to increase action on climate change.

B. Financial Governance and Accountability

FFSA abides by all legislative requirements for governance, transparency and financial reporting frameworks as required by the relevant statutes for Non-profit Companies (the Companies Act as Amended 2011), the public benefit and the non-profit sectors.

FFSA is governed by a Management Committee (ManCo), as set out in the Voluntary Association Constitution. The ManCo positions, which guide the fiduciary and procedural responsibilities of FFSA, are voluntary. Expenses incurred in performing these duties are refunded when funds are available. ManCo Members, particularly those spending more time on FFSA activities, may be remunerated for project-related professional work if funds are available. Fossil Free SA may, when funding permits, consider establishing contract or full-time employee posts.

When funds are available, FFSA may contract third-party people or organisations on a short-term basis to assist with particularly areas of work. Local people and organisations take precedence in the contracting process. At least one ManCo Member must maintain oversight of contracted work.

C. Financial Management

1. Budgets and disbursement of funds

- An annual budget, and where necessary donor-specific, or project-specific budgets, will be developed and renewed. These budgets must be approved by at least two-thirds (the quorum) of ManCo Members.
- The ManCo is kept abreast on a regular basis of spending against budget via email and ManCo meetings.
- Deviations from budget: Spending that exceeds budget must be approved by ManCo and, if necessary, the funder. Deviation of 10% below budget lines is allowed. If greater than 10%, the ManCo Member in charge is required to approach the ManCo, and if necessary the funder, for approval.
- Unbudgeted Items: Expenditures of up to R2 000.00 that have not been budgeted for, do not require two-third ManCo approval, but require that the most operationally involved ManCo Members (typically the Vice Chairperson and the Secretary) approve the amount. Amounts greater than R2 000.00, must receive two-third ManCo approval.
- Budgeted items: Expenditures of up to R10 000.00 that have been budgeted, do not require ManCo approval, but require that the most operationally involved ManCo Members (typically the Vice Chairperson and the Secretary) approve the amount. Expenditures above R10 000.00, irrespective of whether the expenditure has been budgeted or not, requires the approval of at least two-thirds of ManCo Members.
- Contract work: Payments to contractors who are delivering work in accordance with FFSA's aim and objectives are to be paid monthly upon receipt of an itemised invoice, unless otherwise agreed beforehand. All independent contractor invoices must be approved for payment as above.

2. Income

FFSA receives donations and grants from a wide variety of sources including associations, corporations, foundations and individuals. FFSA will only accept grant funding if the grantor profile and ethos is aligned with the mission and work of FFSA. FFSA reserves the right to decline donations and funding if information comes to bear that the donor has not been transparent regarding terms and conditions linked to funds being donated, or if the origin of the funds received are associated with activities and standpoints that are not aligned with FFSA's principles and objectives.

i. Proposals - soliciting grants and donations from donor or partner organisations for specific activities:

- With full ManCo approval, a funding proposal is written to a specific funder by a ManCo Member. The ManCo receives this proposal as does the funder. This lays out a budget and a commitment to the manner in which it will be spent.

- Should the proposal be accepted, a Grant Agreement, or similar agreement, is signed between the funder and a designated FFSA ManCo Member.
- On receipt of the grant or donation, a final budget must be approved by the ManCo.
- A ManCo Member is given oversight of the programme and discretionary spend of the funds with the co-ordination of the Financial Officer, Treasurer or Secretary.
- The funder's reporting requirements are adhered to with both financial and narrative reports being submitted. A final report is sent within three months of the closure of the funded programme or the agreed funding period.

ii. Solicited cash donations from individuals:

- These donations are occasionally received either in the form of a recurring debit order, or as a once-off donation in the form of cash, EFT or Snapscan (or similar) donations, typically as a result of fundraising activities at an FFSA community event. FFSA will encourage the use of electronic donations where possible to minimise the handling of cash.
- Donations in the form of cash, cheques, EFT (or other electronic means, such as Snapscan) will be accepted regardless of amount, unless there is a question as to whether the donor has sufficient title to the funds or is competent to legally transfer the funds. All cheques must be payable to Fossil Free SA and may not be made payable to any individual.
- Donations that qualify under the Income Tax Act are, upon request, issued a Section 18A receipt for income tax purposes.
- Receipts are issued for all cash donations. Receipts for other payments are only issued upon request. An electronic or paper copy of all receipts must be kept in a safe system.
- Cash donations: In the case of cash, donations received at FFSA events, the following collection and recording protocol is used:
    - All cash donations will be handled by two people, consisting of at least one ManCo Member (the other typically being a volunteer).
    - All donors making cash donations will be issued with a numbered receipt, of which FFSA shall retain a copy.
    - The donor’s name and phone number or email address will be noted on receipts.
    - The two people handling cash will jointly tally these donations and report the amount collected to ManCo as soon as possible following the event.
    - A cash box will be used to collect and store money until it is deposited in the FFSA bank account.
    - The cash will be deposited into the FFSA bank account within three working days following the event.
    - The total cash donations received and deposited will be

recorded in FFSA's accounts.

iii. **Protocol for unsolicited cash donations, should FFSA be approached by an interested party:**

- These people / organisations are normally known to the ManCo, but if they are not, their background is checked by ManCo Members.
- ManCo Members reach agreement on whether to accept the funds.
- If applicable, the donor is asked how they would like the money to be spent.
- The money is ring-fenced for this purpose.
- A Section 18A certificate is issued by FFSA on request and submitted with FFSA's SARS return.

iv. **Protocol for anonymous donations:**

- While this is unusual, should it happen, the money will be used to further FFSA's general aim and objectives.

v. **Recording of grants and donations**

- All donations and grants received are recorded in the 'Donations and Grants' spreadsheet, which is kept up to date by the FFSA Finance Officer. This includes non-cash donations and gifts-in-kind (e.g. wine for conference, hours provided by website specialist, etc.)
- The Donations and Grants spreadsheet must reconcile monthly to the bank statement.

3. Income-Related Activities

- Donations received, for which a tax deductible receipt has been issued, may only be used to carry out Public Benefit Activities (PBAs) listed in Part II of the Ninth Schedule of the IT Act (protection of the safety of the general public; and conservation, environment and animal welfare).
- Donations are solicited on the understanding that monies will be used for the purpose for which they are given.
- Should the defined purpose no longer be necessary or feasible, the donors of such monies will be informed and given alternative choices for its use, or be refunded. The funder's response must be received in writing.
- FFSA will only enter into partnership agreements with large grant/donor bodies if the mutual benefits of such a partnership are explicitly stated and carefully monitored.
- General donations not associated with a special negotiated purpose or partnership agreement, will be used to further the stated aim and objectives of FFSA, as defined in the Constitution.
- Third parties (excluding FFSA ManCo Members) who wish to solicit funds on behalf of the organisation, must acquire written permission from FFSA's

Vice-Chairperson or Chairperson prior to beginning any fundraising activities. A ManCo Member must take on oversight responsibility and work with the third party to guide the person.

4. Treasury

- Bank account statements are circulated to all ManCo members at every ManCo meeting.
- The appointed Chairperson will sign off the latest set of accounting records, bank statement and budget.
- FFSA funds will generally be kept in a money market or savings account to earn interest.

D. Delegation of Authority

FFSA ManCo has delegated key operational tasks as follows:

- The **FFSA Coordinator** is authorised to manage and carry out the operational duties of FFSA in pursuit of its vision and strategy. Specific duties include:
  - Leading the development of the organisational strategy and operationalising that strategy.
  - Lobbying key stakeholders to divest-reinvest.
  - Managing organisational communications such as the newsletter, website and social media.
  - Fundraising.
  - Maintaining communications with supporters, investing entities, and peer civil society organisations.
  - Keeping abreast of and communicating relevant research.
  - Heading up projects, campaigns, engagements and seconding other ManCo members, as required.
  - When required, seeking authority from ManCo or the Chairperson to act outside of the agreed levels of authority.

- The **Finance Officer**, subject to the funding available and proposed plan for the year, and exercising all necessary due diligence and care, is individually authorised to obligate the funds of FFSA to execute agreements reflecting those obligations, and to further delegate this authority as deemed appropriate, up to and including the limits set forth above per transaction, such limit shall include integrated or related transactions. Authority is approved for:
  - Managing and overseeing FFSA bank accounts.
  - Managing financial activities such as verifying and paying invoices,

sending out bank statements for ManCo meetings, keeping financial spreadsheet/records up to date.
  - Purchasing equipment and assets, as required.
  - Tracking expenditure against budget.
  - Managing annual financial review - securing accountant / auditor at pro-bono or low rates, sending them relevant information, liaising with appointed auditors / financial reviewers, ensuring the annual financial review is completed and the annual tax return submitted.
  - Ensuring compliance with SARS requirements.
  - Estimated time – 5-6 hours per month.

- The **Secretary** is authorised to carry out all secretarial related duties and communications. Specific duties include:
  - Setting and communicating agreed dates ManCo meetings.
  - Requesting items and sending agenda for ManCo meetings.
  - Taking minutes at ManCo meetings and AGM - rough draft minutes during meeting, creating accurate minutes for review, finalising minutes, getting them signed and scanned for system storage.
  - Capturing FFSA resolutions.
  - Submission of the Annual Report to the Department of Social Development (DSD).
  - Maintaining appropriate policies and procedures to ensure a high level of governance standards.
  - Updating of FFSA constitution, as required.
  - Estimated time – 5-6 hours per month.

- The **Chairperson** is authorised to carry out all duties related to chairing the Voluntary Association authorisations and decision-making and communications. Specific duties include:
  - Chairing ManCo meetings and setting ethical tone for the management committee.
  - Holding ManCo members accountable for actions recorded in minutes.
  - Executing the voting procedure, when required.
  - Exercising appropriate diligence during decision-making activities.
  - Encouraging open debate at meetings and ensuring that all ManCo members have the opportunity to make a contribution and have their concerns addressed.
  - Signing off the latest set of accounting records, bank statement and budget.
  - Signing off the latest ManCo meeting minutes.

E. Internal and External Communications

- The media is considered a key element in FFSA's attempts to communicate with the public, policy makers, politicians and officials. As the content of all official communications from FFSA reflects the ethos and values of FFSA, we endeavour to ensure that all information we give out is factually correct, and followed up to ensure the messages received correspond as far as possible with what was intended.
- The needs of the environment and communities / beneficiaries should drive the communication process, so that communication becomes a process of full and open engagement and, as such, social media such as Facebook and LinkedIn will be used to engage and drive the movement.
- FFSA spokespeople are designated to speak on topics and issues where they have professional knowledge and experience, provided that such spokespersons consult and seek advice from ManCo Members if they are unsure of how to respond to questions from the media.
- Against these guidelines, all official written communications made in the name of FFSA must be agreed upon by the designated spokesperson and at least two other FFSA ManCo Members before release.
- Individual FFSA ManCo Members shall not be constrained in any way from commenting and expressing their individual views and opinions on issues, provided that when so doing it is made clear to audiences when they are speaking for themselves, and when they are speaking on behalf of FFSA.

F. Branding and Reputation

It is important to maintain the reputation and integrity of the FFSA brand and the divestment campaign in general. In this regard:

- At all times, the elements of a campaign, marketing and advertising are to reflect the organisation's ethics and values, as outlined in the 'Code of Conduct' section below. In instances where those acting on behalf of FFSA behave in ways that in the view of a quorum of the ManCo substantially deviates from the FFSA ethos and Code of Conduct, these people will be asked to adjust their conduct, or may be required to step down from their positions and responsibilities. Note: This does *not* include statements and actions that can be attributed as "civil disobedience".
- Any FFSA activities or project must carry the FFSA logo on all documentation and electronic media.
- In partnership projects, all partner's logos must be featured if so desired by said partner.
- At the beginning of a document or text, the "Fossil Free South Africa"

name should be written out in full, after which it may be abbreviated as "FFSA".
- A standard letterhead and template, or email signature, will be used for all formal FFSA correspondence.
- The FFSA logo may not be used by any third-party organisation or individual without documented consent from FFSA.

G. Code of conduct

FFSA ManCo Members commit to:
- Promoting FFSA's aim and objectives and adhere to the policies, procedures and recommendations as outlined in this document and the FFSA constitution;
- Being accountable to FFSA's stakeholders, who include supporters of the divestment campaign and organisations that FFSA is working with to promote divestment;
- Leading and/or participating in key initiatives in support of FFSA's aim and objectives, such as activism, public communications, fund-raising, education, organizational management, etc.;
- Reporting in writing to the FFSA ManCo (or ensure such reporting is done) on any initiatives under the banner of FFSA in which a ManCo Member is involved;
- Upholding the highest principles of good governance and public integrity, incorporating respect, humanity, openness, transparency, inclusiveness, equity, justice, integrity, diversity and sustainability at all times when representing FFSA.
- In any instances where FFSA or FFSA members may be in conflict with each other or other institutions, resolution will first be sought through face-to-face dialogue, or mediation by FFSA advisers or independent parties, with formal legal action to be avoided as far as possible.