

CONSTITUTION
OF
THE HOMESTEAD

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1. NAME

The name shall be: The Homestead.

2. AIMS AND OBJECTIVES

The aims and objectives of The Homestead are:

- 2.1 To provide a range of services to children who are homeless, destitute and/or neglected.
- 2.2 To maintain and provide residential and support facilities for these children.
- 2.3 To reach out to young people on the streets.
- 2.4 To manage and run children's shelters, homes and other programmes.
- 2.5 To develop projects aimed at addressing the suffering of children who are vulnerable or at risk of abandonment or homelessness.

3. AREA OF OPERATION

The area in which the business and the projects of The Homestead will be carried out shall be the Republic of South Africa.

4. STATUS

- 4.1 The Homestead exists as a body corporate and has an identity and existence distinct from its members or office bearers.
- 4.2 The Homestead will continue to exist even when its membership and office bearers change.
- 4.3 The Homestead will be able to own property and other possessions.
- 4.4 The Homestead will be able to sue and to be sued.

5. MANAGEMENT COMMITTEE

- 5.1 The Management Committee, consisting of not less than six and not more than nine committee members, shall be responsible for the governance of the Homestead.
- 5.2 The Committee shall, subject to clause 6.1 below, have the power to appoint additional members of the Management Committee and to fill any vacancies that may arise through co-option.

- 5.3 The Committee shall meet at least six times a year.
- 5.4 The quorum for such a meeting shall be more than 50% of the committee members.
- 5.5 Management Committee members shall remain in office for two years and may be re-appointed, depending on what kind of contribution they give to The Homestead and on their attendance record. A member may not serve for more than two consecutive terms unless they are invited to continue by a two-thirds majority of the Management Committee.
- 5.6 At the first Meeting of the Management Committee, a Chairperson, Deputy Chairperson, Treasurer and Secretary shall be elected by the members of the Management Committee. The Management Committee shall decide on the duties and functions of office bearers, which shall be in writing and reassessed annually or sooner if necessary.
- 5.7 Membership of the Management Committee may be removed through a two-thirds resolution of the remaining Committee members, consisting of not less than five.
- 5.8 If a member of the Management Committee does not attend three management committee meetings in a row, without notification, then s/he will cease to be a member of the committee.
- 5.9 Minutes will be taken at every Management Committee meeting to record its decisions. The minutes shall be confirmed as a true record of proceedings by the next meeting of the management committee, and thereafter shall be signed by the Chairperson.
- 5.10 Each Committee member shall have one vote. If the votes are equal on an issue, then the Chairperson has a second or a deciding vote.
- 5.11 The Management Committee shall endeavour to reach all decisions by consensus. If consensus cannot be reached, the matter shall be put to the vote and shall be decided by a majority vote of all committee members present, as laid out in clause 5.10 above.
- 5.12 The Management Committee may delegate any of its powers or functions to a committee or member(s) of the Homestead provided that: such delegation and reporting conditions are reflected in the minutes for that meeting, at least one Committee member serve on the sub-committee, the Management Committee in advance approves all expenditure to be incurred by the sub-committee or member, and the Management Committee may revoke the delegation or amend the conditions.

5.13 The Management Committee shall elect and appoint a Director and other staff on such terms and conditions as may be agreed and minuted.

5.14 The Director shall attend Management Committee meetings as an ex-officio member.

5.15 Management Committee meetings may be conducted face-to-face or electronically which would allow Committee members to be present and participate through electronic means.

6. GENERAL MEMBERSHIP

6.1 The Management Committee may in their sole and absolute discretion admit as non-voting members natural or legal persons who actively support The Homestead, whether by making regular financial contributions or otherwise.

6.2 The Management Committee shall review the criteria for membership annually.

6.3 After due consideration, the Management Committee may decide to suspend or terminate the membership of a member.

6.4 The Management Committee must keep a register with the names and addresses of all the members which must be updated annually.

6.5 Members of the organisation may attend, participate and speak at the open session of the annual general meeting, but have no voting rights as contemplated in clause 10.5.

6.6 Membership is not transferable.

6.7 Membership automatically terminates upon the receipt by the Homestead of a notification of the death of a member or written resignation.

6.8 Membership terminates if a member is removed by a majority resolution of the Management Committee.

7. POWERS OF THE ORGANISATION

The Management Committee shall, subject to the provisions of clauses 11 and 12, be entitled *inter alia*:

- 7.1 To acquire by purchase, exchange, donation, cession or otherwise, movable and immovable property and to procure, sell, hire, let, administer, work, equip, improve, develop, alienate, dispose of or otherwise deal with, movable and immovable property.
- 7.2 To borrow money with or without security and on such terms and conditions as it may deem fit, and with or without interest, provided that 75% of the Management Committee members approve.
- 7.3 To lend money at interest or otherwise, and with or without security and on such terms and conditions as it may deem fit subject to the provisions of the National Credit Act, as amended, provided that such loans may only be made to a beneficiary of The Homestead.
- 7.4 To invest any surplus funds by prudently using independent professional advice after analysis and comparison of three reputable organisations.
- 7.5 To insure with a reputable Insurance Company, all or any of the assets of The Homestead, whether they be free and unencumbered, or mortgaged, hypothecated or otherwise encumbered.
- 7.6 To enter into contracts of all and any nature whatsoever that fall within the objectives of the organisation.
- 7.7 To draw up rules and regulations for conduct of The Homestead, and to ensure the observance and enforcement thereof.
- 7.8 To institute or defend legal proceedings in any court of law.
- 7.9 To arrange and organise the collection of funds for the carrying out of the objectives of The Homestead.
- 7.10 To accept donations and gifts of designated and undesignated money and goods, and gifts in kind, to organise functions to obtain funds and goods, and to apply the proceeds in its discretion subject to the powers vested in it, provided that all donations and gifts to The Homestead must be irrevocable and unconditional.

8 INDEMNITY

- 8.1 Subject to the provisions of any relevant law, members, office-bearers or appointed delegates of the Homestead shall be indemnified by the Homestead for all acts done by them in good faith on its behalf.

8.2 Subject to the provisions of any relevant law, no member or office-bearer of the Homestead or appointed delegates shall be liable for the acts, receipts, neglects or defaults of any other member or office bearer, or for any loss, damage or expense suffered by the Homestead, which occurs in the execution of the clearly defined duties of his or her office, unless it arises as a result of his or her dishonesty, or failure to exercise the degree of care, diligence and skill required by law.

9 FINANCE AND TAXATION

9.1 The Homestead's income and property are not distributable to its members or office bearers.

9.2 The Financial year shall be from 1 April to 31 March.

9.3 The Homestead will conduct its financial transactions by means of banking accounts.

9.4 All amounts due or collected on behalf of The Homestead shall be paid to The Homestead and shall be deposited in such bank as may be decided upon by the Management Committee.

9.5 Any payment made by The Homestead to any person shall be made by means of a cheque drawn on the bank accounts of The Homestead and signed by nominated signing officers appointed by the Management Committee, except where such payment is made from petty cash. Petty cash limits will be prescribed by the Management Committee from time to time. Electronic banking may be used if approved by the Management Committee provided sufficient financial controls exist.

9.6 No transactions can be effected without the signatures of two persons as approved by a resolution of the Management Committee.

9.7 The funds of The Homestead shall be applied to the payment of expenses, the acquisition and the control of such property as may be necessary for the achievement of the objectives of The Homestead.

9.8 The Management Committee shall approve the annual budget before the start of every financial year. A Finance Sub Committee, comprised of three Management Committee members appointed for this purpose, shall approve staff salaries and benefits for the

forthcoming year for inclusion in the annual budget. No changes to staff salaries and benefits may be made without prior approval from the Management Committee.

- 9.9 No single item of expenditure in excess of a minimum decided by the Management Committee annually shall be made, unless specifically approved by the Management Committee, excluding expenditure of the recurrent nature for which the Management Committee may have issued a general approval by approving the annual budget.
- 9.10 The Director shall at each meeting of the Management Committee, present or have presented a report of Income and Expenditure against budget, and once a year for presentation to the Annual General meeting, an audited Balance Sheet and Income and Expenditure Account, and such other statements as shall disclose the financial position of The Homestead.
- 9.11 The Management Committee must ensure that proper records and books of account which fairly reflect the affairs of the Homestead are kept, and within six months of its financial year an audit report is compiled by an independent practicing auditor registered in terms of the Auditing Profession Act stating: whether or not the financial statements of the Homestead are consistent with its accounting records, the accounting policies are appropriate and have been appropriately applied with in preparing the financial statements and the Homestead has complied with the financial provisions of this constitution.
- 9.12 In terms of Section 30 of the Income Tax Act the Homestead, as a public benefit organisation, must:
- 9.12.1 Be required to have at least three persons, who are not connected persons in relation to each other, to accept the fiduciary responsibility of the Homestead.
 - 9.12.2 Ensure that no single person directly or indirectly controls the decision making powers relating to the Homestead.
 - 9.12.3 Is prohibited from distributing any of its funds to any person (otherwise than in the course of undertaking any public benefit activity) and is required to utilise its funds solely for the object for which it has been established.
 - 9.12.4 Ensure that it is not knowingly a party to, and does not knowingly permit itself to be used as part of any transaction, operation or scheme of which the sole or main purpose is or was the reduction, postponement or avoidance of liability for any tax, duty or levy, which, but for such transaction, operation or scheme,

would have been or would have become payable by any person under the Act or any other Act administered by the Commissioner for the South African Revenue Service.

9.12.5 Not pay any remuneration to any employee, office bearer, member or other person, which is excessive, having regard to what is agreed by the Management Committee to be generally considered reasonable in the sector and in relation to the service rendered.

9.12.6 Comply with such reporting requirements as may be determined by the Commissioner.

9.12.7 Has not and will not use its resources directly or indirectly to support, advance or oppose any political party.

10 ANNUAL GENERAL MEETINGS

10.1 The Annual General Meeting of the Homestead shall be held no later than the end of September in each year.

10.2 An Annual General Meeting may consist of a closed and an open session. A closed session shall only be attended by members of the Management Committee and an open session shall be attended by members of the Management Committee and general members of the Homestead.

10.3 Closed sessions of the AGM shall deal with, amongst other, the following:

10.3.1 The presentation and adoption of the Annual Narrative and Financial Report;

10.3.2 The appointment, where applicable, of Management Committee members;

10.3.3 The (re-)appointment of Accounting Officer or Auditors;

10.3.4 To appoint such friends and patrons of The Homestead from time to time as it may determine; and

10.3.5 Such other matters as may be considered appropriate by the Management Committee.

- 10.3.6 Closed sessions of the Annual General Meetings of the Homestead shall be conducted and regulated in accordance with the procedures provided for in terms of sub-clauses 5.3 – 5.11 above.
- 10.4 During an open session of the AGM, the Management Committee shall report to the members of the Homestead on the resolutions emanating from the Agenda items listed in sub-clause 10.3 above.

11 APPROPRIATION OF INCOME AND PROPERTY OF THE HOMESTEAD

Any property or income of The Homestead shall be utilised solely in the furtherance of its aims and objects and it shall be prohibited from transferring any portion thereof directly or indirectly in any manner whatsoever as to profit any person other than by way of payment in good faith of reasonable remuneration to any officer or employee of The Homestead, as defined in sub-section 9.12.5 for any services actually rendered to it. Members or office bearers have no rights in the property or other assets of the organisation solely by virtue of their being members or office bearers.

12 ACTIVITIES OF THE INSTITUTION

- 12.1 The Homestead may have the power to carry on any business that furthers the aims and objectives of the organisation with the approval of the Management Committee. (This includes, inter alia, ordinary trading operations in the commercial sense, speculative transactions, dividend stripping activities as well as the letting of property on a systematic or regular basis).
- 12.2 The Homestead is required to utilise its funds solely for the object for which it has been established, or to invest the funds prudently
- 12.3 The activities of the Homestead will be confined to the Republic of South Africa and the funds of the Homestead will be applied within this area.

13 AMENDMENTS

- 13.1 The Constitution can be changed by a resolution that is agreed upon and passed by not less than two-thirds of the members of the Members of the Management Committee who are at a Management Committee meeting or a closed session of the Annual General Meeting specifically convened for this purpose.

- 13.2 Any amendment to this Constitution shall only be considered if at least 14 (fourteen) days' notice in writing thereof has been given to every member of the Management Committee.
- 13.3 Any amendment to the Constitution must be submitted to the Commissioner for the South African Revenue Service and the Directorate for Nonprofit Organisations.

14 DISSOLUTION

- 14.1 Any decision to dissolve The Homestead shall only be made at Management Committee meeting or a closed session of an Annual General Meeting provided that at least 14 (fourteen) days' notice in writing has been given to every member of the Management Committee and provided further that the decision to dissolve The Homestead shall not be effective at such a meeting unless a two-thirds majority of the members of the Management Committee present and entitled to vote so decide.
- 14.2 On dissolution of The Homestead the organisation has to pay off all its debts. The assets remaining will be distributable to nonprofit organisations within the Republic of South Africa with similar aims to The Homestead as determined by the Management Committee and should the Homestead be exempt from the payment of any taxes and duties;
- 14.2.1 Any similar public benefit organization which has been approved in terms of section 30 of the Income Tax Act,
- 14.2.2 Any institution, board or body which is exempt from tax under the provisions of section 10 (1)(cA)(i) of the Income Tax Act, which has its sole or principal object the carrying on of any public benefit activity,

Signed at Cape Town on the 27th day of January 2012

Name: Urvasi Mungal-Singh

Chairperson

Witness: [Signature]

Deputy Chairperson

Signature: [Signature]

Witness: [Signature]

Secretary