

PD-ABN-679

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**JOINT VISIT TO SOUTH AFRICA  
BY OPERATIONS AND F&A STAFF TO  
OPEN A FUNCTIONAL BASICS FIELD OFFICE  
AND TRAIN NEWLY HIRED STAFF**

Pretoria, South Africa  
February 12 - 28, 1996

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BASICS Technical Directive: 000 SA 01 003/000 HF 01 012/000 HF 01 008  
USAID Contract Number: HRN-6006-C-00-3031-00

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## ACRONYMS

BASICS	Basic Support for Institutionalizing Child Survival
DOH	Department of Health
F&A	Finance and Administration
HQ	Headquarters
OPS	Operations
PC	Portable Computer
TDY	Temporary Duty
USAID	United States Agency for International Development
UPS	United Parcel Service

## **PURPOSE**

The BASICS Project recently was given the opportunity to become a partner with other health organizations on certain USAID and DOH bridging activities. In the course of planning the activities it was decided by all concerned that BASICS would serve as an administrative partner, responsible for directing and tracking project funds and making sure that all activities moved forward on schedule. BASICS was mandated with opening a local office in Pretoria and hiring a local administrator and Primary Health Care Specialist.

Carolyn Hairston and Mark Hufen traveled to Pretoria, South Africa, on February 10 - 28, 1996, to establish a BASICS field office (refer to Appendix A for detailed scope of work). Some of the major financial and administrative items to complete were:

- 1) Clear computer equipment through customs, set up e-mail and office systems/procedures;
- 2) Negotiate and formalize office space agreement with DOH;
- 3) Open bank account and pursue bonding of employees;
- 4) Provide new employees with an overall project orientation and training; and,
- 5) Research local labor laws and resolve any personnel issues, office registration and/or tax issues.

## **BACKGROUND**

This trip included representatives of both the Operations (Ops), and Finance and Administration (F&A) Divisions of BASICS. As such, the issues surrounding the visit were potentially more complex than a solo visit (for issues addressed prior to visit see Appendix B). The Primary Health Care Bridging Activities is the first highly visible health activity jointly undertaken between USAID and the DOH. South Africa has just recently begun to work and collaborate in depth with international donor organizations. It was therefore imperative that the headquarters staff and field office opening team coordinate and communicate well with each other in order to be successful. In the authors' opinions, a joint effort was not only possible, but in the context of this field office opening, beneficial as well. Advance planning to divide areas of responsibility was initiated by Hairston and Hufen so that they could coordinate a successful outcome to the visit. It was also important to include input from the field office in the planning process to ensure that field issues of urgency were addressed in the course of the visit. Dr. Marilyn Edmondson, BASICS Interim Country Advisor, provided a significant amount of crucial information and documents to the team prior to the trip. Her research on specific office opening issues assisted the team with their assignment, which ultimately led to a successful TDY.

## **TRIP ACTIVITIES (Overview)**

Thanks to the thoughtful preparation of the BASICS/South Africa team prior to the visit, Hairston and Hufen were able to anticipate most of the issues that needed to be addressed and were better able to coordinate their efforts. Shortly after arriving in country, Hairston and Hufen were able to establish contact with officials from various organizations, including USAID and the DOH (see Appendix C). These officials were very helpful in answering a number of administrative and political questions regarding the environment in which BASICS/Pretoria will be operating. Furthermore, the meeting with Alan Foose, USAID Director, was very informative and helpful (see Appendix D for record of conversation). Mr. Foose was able to give the BASICS team valuable information and assistance in the clearing of BASICS computers and office supplies.

It is South African business protocol and custom that clients and prospective vendors meet to discuss the request for proposals. Because of this local custom, Hairston and Hufen spent quite a bit of time during the first week meeting with potential vendors. For a look at the different administrative items addressed by Hairston and Hufen, many of which involved meeting potential vendors, please see Appendix A.

## **RESULTS AND RECOMMENDATIONS**

Below are brief summaries of the main issues addressed by the BASICS team in South Africa during this TDY, and recommendations made by the team in light of the findings. Please note that most summaries will have a corresponding appendix for further detail and/or explanation.

### **Office Space Agreement**

#### *Background Accomplishments*

Prior to the TDY, Hairston and Hufen were informed by the headquarters Ops team that the DOH had sufficient room for field staff and offered to provide BASICS with office space for two people. Furthermore, the headquarters Ops team also instructed Hairston and Hufen to contact the Provincial DOH office in Bisho, Eastern Cape, where space had been made available to visiting BASICS staff.

DOH Pretoria As part of her scope of work, Hairston met with Dr. Hendrix of the DOH to arrange an office space agreement, which included terms covering office furnishings, utilities, office supplies, phone and fax, and transportation/courier service. As a result of the meeting, Hairston drafted a letter of understanding (office space agreement) which she gave to Dr. Hendrix/DOH and faxed to Judy Yang/BASICS for review and approval (see Appendix E). At the time of her departure the letter of agreement was not signed by the DOH or BASICS.

DOH Bisho While in Pretoria, Hairston established contact with Dr. Stamper, Deputy Permanent Secretary of Health Services/DOH/Eastern Cape Province. Because of Dr. Stamper's schedule, Hairston was not able to travel to the Eastern Cape to meet with her. Based on her conversations with Dr. Stamper, Hairston drafted a letter of understanding (office space agreement), see Appendix E. The agreement included terms covering office space, office furnishings, utilities, office supplies, phone and fax, computer equipment and maintenance, and transportation/courier service. A copy of the agreement was sent to Dr. Stamper/DOH and faxed to Judy Yang/BASICS for review and approval.

### *Recommendations*

The letters of understanding for both the Department of Health/Pretoria and Eastern Cape were not signed prior to Carolyn Hairston leaving the country. It is imperative that the Primary Health Care Coordinator, with the assistance of the headquarters Ops team and F&A follow up to get the agreement(s) finalized and signed.

### **Office Furnishings and Computer Set-up/E-mail**

Hairston and Hufen met with Anton (last name unknown), the DOH Office Stores Supervisor, on a number of occasions regarding office furniture and office supplies. Anton allowed Hairston, Hufen, Edmondson, and the local staff to walk through the DOH warehouse and choose furniture that would be used in the one office allocated for BASICS' use. Furthermore, Hairston and Hufen provided Anton with a list of supplies and he had his staff contact their suppliers for prices, cognizant of BASICS' procurement requirement. In a matter of days the start-up team received a concise listing of prices from each supply company.

After the BASICS computer equipment was secured from customs (see below for dates and specifics), representatives of the computer support division within the DOH offered to assist BASICS with set-up of the computer system, hook-up and maintenance of e-mail (external and internal), and troubleshooting of minor problems. E-mail was not hooked up prior to Hairston and Hufen leaving the country.

### **Computer Equipment and Office Supplies**

#### *Background Accomplishments*

Hairston and Hufen took three computers (two lap tops and one portable computer), along with printers, a fax machine, computer hardware, and numerous boxes of office supplies with them on their flight to South Africa (see Appendix F). There were approximately 12 BASICS boxes in all that were carried as excess baggage. Once the team landed in Johannesburg the airport officials took the boxes and stored them until a clearing agent could officially process them through customs. On Monday, February 12, 1996, Hairston and Hufen had a meeting with Mr. Alan

Foose of USAID. Mr. Foose recommended that the team contact the USAID customs clearing agent Röhlig for assistance. Mr. Foose also provided the team with copies of tax exempt paperwork that were intended to help with the clearing of the items (see Appendix G). This information was also forwarded to BASICS HQ for use as a guideline in reporting BASICS tax exempt status in South Africa.

Hufen telephoned Mr. Freek von Tonder, clearing specialist with Röhlig. A copy of the inventory, along with the flight information was sent to Mr. von Tonder who initiated contact with the airport customs officials. In subsequent conversations with Mr. von Tonder the team was advised to re-contact USAID/Pretoria and obtain a Certificate A which would provide diplomatic coverage and thus waive clearing and shipping costs. The Mission was contacted and the internal shipping agent issued a Certificate A on BASICS' behalf. On Monday, February 19, 1996, Mr. von Tonder notified BASICS that the shipment cleared and on Tuesday, February 20, 1996, made delivery.

### *Recommendations*

A clearing agent was contacted prior to the team departing for Pretoria, South Africa. One of the problems with this method is that no one knew a representative or knew for certain the reputation of the clearing agent. Once in country, the team contacted the clearing agent, but found him to be unresponsive. This put the team in a very precarious situation and forced Hairston and Hufen to ask the Mission Director for a clearing agent recommendation and assistance to clear BASICS goods. When possible, other projects who have offices in the country of destination should be contacted for recommendations on clearing agents. If there is a lack of time to contact other projects (as mentioned earlier), it is recommended that the Mission be contacted for the name of their clearing agent prior to traveling to open an office

BASICS should pursue obtaining tax exempt status based on the information provided by USAID.

### **Bonding Insurance/Fidelity Guaranty Insurance**

#### *Background Accomplishments*

F&A policy stipulates that anyone handling project funds in the field must have insurance (provided and paid for by BASICS) that will cover employee theft and loss. Hairston and Hufen were assigned the task (see Appendix A) of identifying local insurance companies that offered bonding insurance policies. Once in-country Hufen began to contact different insurance brokers regarding bonding. Most of the insurance agents contacted did not know what bonding was. However, in a meeting with the BASICS local attorney (see next section for name and firm) the issue of bonding came up and the attorney explained that the local term for bonding is fidelity guaranty insurance. Five insurance companies were contacted and two replied. The companies that were contacted were: Prestasi/Pretoria Insurance Brokers (Ltd); GBM Professional Insurance

Brokers; Premier Insurance Consultants; ABS Brokerage/Allianz Insurance, (Ltd.); and, First Bowring Insurance Brokers. The two firms that submitted insurance information and applications for BASICS were Prestasi/Pretoria Insurance Brokers (Ltd.) and First Bowring Insurance Brokers. The latter broker was recommended to BASICS by the First Bank of Southern Africa after Hufen requested that the bank provide an insurance company recommendation.

The office startup team did not meet with anyone from Prestasi and the paperwork from them was forwarded to F&A in Washington for review and comment (see Appendix H). Mr. Richard Masson and Terry Johnson of First Bowring Insurance met with Hairston and Hufen on Monday, February 19, 1996, to discuss fidelity guaranty insurance and BASICS' needs. After discussion of premiums, the staff concerned, and a complete description of BASICS' work in South Africa, Mr. Masson and Mr. Johnson advised Hairston and Hufen to complete an application for submission to the First Bowring's underwriter Swiss Reinsurance Company (see Appendix I). Mr. Masson stated that the likelihood of BASICS' local staff receiving insurance coverage was slim. He went on to say that donor agencies have a bad reputation for money loss in South Africa. Also, the fact that BASICS hired local staff rather than expatriates is bad since insurance companies view local hires (people of color in particular) as a regular source of extortion and theft. Hairston and Hufen were both appalled by this South African reality but were told by the insurance agents that they too were disturbed by this practice. However, they recommended that BASICS should still apply and see what happens. Mr. Masson suggested that while the application was being processed BASICS should look into an alternative should the insurance be declined. He suggested that BASICS seek a counter signatory on all checks over a certain amount and was willing to provide names of local accountants and/or accounting firms. F&A/Washington was consulted and they replied that bonding should be sought.

Prior to Hairston and Hufen completing their assignment and leaving the country, the application for fidelity guarantee insurance was submitted to First Bowring Insurance (Ltd.) who in turn submitted it to their underwriter.

### *Recommendations*

The field office in Pretoria, along with the support of the Operations team in Washington, should follow up with Mr. Masson of First Bowring to find out the status of the application is. Furthermore, as an alternative if the application for insurance is denied, the field office should look into a local counter signatory for all checks over a certain amount (please see section below covering payroll and counter signatory.)

## **Bank Account**

### *Background/Accomplishments*

Hairston was assigned the task of opening a local bank account and depositing project funds she brought with her. The First Bank of Southern Africa was recommended to BASICS by the USAID as a large bank that has a good reputation working with international companies and one that is financially stable. Hairston contacted bank representatives to find out if BASICS would be able to open a corporate account and if so, what documents would the bank need to proceed. Hairston obtained clearance from the bank to open an account and was provided with the pertinent financial documents (signature cards, request for company by-laws, and application forms) to complete. Hairston coordinated with the bank, the BASICS/Washington Operations team, F&A, and field staff to open this account. The original signatories on this account were Mark Hufen and Pamela Mamogobo. Once he left the country, Mark Hufen would be taken off the account and the bank notified of this action; arrangements would then be made by BASICS to have the "official" roster of BASICS signatories added to the account. The day before Hairston left, the account was opened and her remaining project funds were deposited. Also, a wire transfer was arranged and BASICS/Washington was going to send a small amount to make sure the account and routing was intact.

### *Recommendations*

It would have been beneficial to the office opening team (to speed up the account opening process) had the Operations team obtained the bank account opening forms (and instructions) and application prior to leaving Washington (see attached office opening checklist). As stated earlier, business in South Africa is conducted differently and at a much slower speed than in the United States. Because of this, as much administrative and financial work as possible should be done prior to traveling to South Africa.

## **Payroll and Additional Bank Signatory**

### *Background/Accomplishments*

The office opening team attempted to obtain bonding for Pamela Mamogobo who was the primary and only local signatory on the BASICS bank account. Since bills were already coming into the office for services rendered and products purchased, it was determined by F&A/Washington that there should be a second, independent co-signer on all checks. Three accounting firms in Pretoria were contacted regarding counter signatory services and corresponding costs. Based on price and service, Price Waterhouse was chosen as the firm that would co-sign on all checks being paid from BASICS accounts. On February 22, 1996, Hairston and Hufen met with representatives of Price Waterhouse to (in part) further discuss the possibility of obtaining their counter signatory assistance. On February 27, 1996, Hufen received

a cost proposal from Price Waterhouse outlining their offer to provide counter signatory assistance on a bi-weekly basis (see fax page and proposal, Appendix J).

The second dilemma that the office opening team encountered was how to pay the two new employees, Pamela Mamogobo and Prudence Nxumalo. Pamela was the only one in the office who was designated to have signatory authority. This meant that Pamela would ultimately have to write her own payroll check and this practice is not in line with BASICS policy. Therefore, F&A requested Hairston and Hufen to contact three local accounting firms to find out if they offered payroll services and if so, what were the costs (appendix not currently available) Price Waterhouse provided the lowest annual fee for payroll services and management and free employee tax filing in 1997. Hairston and Hufen met with Mr. Vickers Roos, Managing Accountant at Price Waterhouse on February 22, 1996, to sign a contract on behalf of BASICS which would begin payroll and pay a deposit for services to be rendered.

On February 27, 1996, Hufen met with Price Waterhouse Payroll Representative Ms. Marion Poole to sign payroll documents. The documents which were completed and signed are as follows: Registration of Employer, Great Pretoria Metropolitan Council filing, Unemployment Insurance Act, and Regional Services Council Levies: Declaration for Registration (please see Appendix K for copy of blank forms).

## **Training and Orientation**

### *Background Accomplishments*

Hairston and Hufen conducted a general BASICS orientation for Pam Mamogobo and Prudence Nxumalo on Monday, February 19, 1996. This orientation included an overview of the different technical divisions, working groups, country clusters, and definitions of terminology used (i.e., delivery orders, field support funding, technical directives, purchase orders, subcontracts, etc.). Critical forms used in every day business at BASICS were distributed; a disk with all the forms on it was also provided to the new staff. The training ended with a question and answer session.

From February 20 to February 23, 1996, Hufen spent 50 percent of each day training Prudence Nxumalo on the BASICS one-write system (field accounting system). Two sessions were spent with both field staff on roles and responsibilities concerning the accounting system and going through a typical month of field account vouchers

On February 23, Hairston and Hufen provided field staff and the Interim Director, Marilyn Edmondson, with procurement 101 training. A packet of procurement materials, including a very "draft" field office administration manual were provided and were distributed for review and questions. The information provided included: human resources guide, operations manual (program planning and management manual), and information center capabilities statement with listing of reports produced.

## **Legal Issues**

### *Background/Accomplishments*

Prior to the office opening team traveling to South Africa, Interim Director Marilyn Edmondson, at the request of BASICS, identified a law firm that would be able to assist BASICS with any legal issues that may arise with the opening of an international office. BASICS Operation Officer Carolyn Kruger initiated a request for assistance from Adams & Adams for review of employee contracts and other legal matters (see Appendix L). Upon arriving in country the office opening team contacted Adams & Adams for follow-up on the items Kruger requested. Hairston, who made contact with Adams & Adams on February 12, 1996, spoke with Mr. Ike Papageorge, Esq., the attorney assigned to handle all BASICS issues. Mr. Papageorge requested that Hairston and Hufen meet with him. On February 13, 1996, Hairston, Hufen, and Edmondson met with Mr. Papageorge and a paralegal to discuss a number of legal issues:

- 1) The difference/distinction between independent contractor and employee and what the legal implications are for each category;
- 2) The South African definition of bonding insurance and employee perceptions, as well as legal implications;
- 3) The employee letter and what it should legally contain, how it should read, and legal implications for BASICS;
- 4) Corporate registration of BASICS in South Africa, whether or not it is needed; and,
- 5) The timetable of the attorney's work and what the estimated fee would be to complete requested work.

Hairston, along with F&A/Washington, requested that Mr. Papageorge review the above issues and provide written legal counsel to BASICS. On February 21, 1996, Hairston received a fax letter from Mr. Papageorge which contained written legal counsel addressing these issues. There was a supplemental (recommended) employment contract attached to the letter that could be used by BASICS with its new local employees (see Appendix L.)

## **Vendor Agreements**

### *Background/Accomplishments*

As a part of the office opening plan, Hairston and Hufen contacted numerous vendors for the following services and products.

**Travel** Hufen contacted three local travel agencies and obtained cost/service proposals. Representatives of each of the following firms were met in person during the week of February 19 and their cost/service proposals reviewed. The firms in question are Travkor, Ltd., Going Places Travel Agency, and South African Travel. Travkor was chosen because of its vast array of services, local accessibility, experience working with international clientele, language ability, constant search for the best but the most inexpensive airfares, and lastly, a highly favorable Mission recommendation.

**Shipping** Hufen contacted Federal Express, DHL and Sun Courier (UPS) for cost/service proposals. DHL and Sun Couriers submitted proposals on Monday, February 19th. On Tuesday, February 20, Hairston, Hufen, and Nxumalo met with DHL sales representative Pamela Peterson to discuss services and costs. The next day Hairston, Hufen, and Nxumalo met with Ria Inglebrecht of Sun Courier to review the cost proposal and discuss costs. It was decided that based on cost and timeliness, DHL would be utilized for international packages and that Sun Courier (known to have excellent service and timeliness in South Africa and used by the DOH) would be used for domestic package service.

**FOLLOW-UP ACTIONS REQUIRED**

To provide the greatest benefit to both the field office and the field office oversight at BASICS/Washington, very clear follow-up actions are needed. It is evident from the results of the visit that there are a number of issues that require timely follow-up. The following list is not comprehensive and most of the above sections contain recommendations that should be reviewed.

**Office Agreement**

- 1) DOH Pretoria and Eastern Cape both need to sign the letter of understanding prepared by Hairston.
- 2) The e-mail system needs to be activated by computer support.

**Fidelity Guaranty Insurance**

- 1) Follow up with Mr. Richard Masson of First Bowring Insurance regarding the status of BASICS' application for bonding insurance.

### **Bank Account/Counter Signatory**

- 1) Pursue agreement with Price Waterhouse for temporary/permanent counter signatory so that checks can be signed to pay incoming invoices.
- 2) Remove Program Assistant Mark Hufen's name from bank account.

### **Training Follow-up**

- 1) Headquarters staff should provide ongoing training support to Prudence Nxumalo and Pamela Mamogobo to orient them to BASICS' procedures. It is recommended that Prudence should travel to headquarters to receive follow-up training in field accounting, procurement, and policies (along with organizational conflict of interest). If this recommendation is not possible, Operations staff should periodically ask Prudence if she is comfortable with her skill level and offer long distance training (to be defined).
- 2) Both Pamela Mamogobo and Prudence Nxumalo have good computer skills. However, their skill needs should be evaluated periodically to see if additional training should be sought locally.

### **Other Issues**

- 1) It was stressed to Pamela Mamogobo and Prudence Nxumalo that regular written and verbal communication (outlining activities underway, being planned, outstanding issues, and successes) be established and maintained with the principal parties at the DOH/ Pretoria and Eastern Cape, as well as with collaborating partners. Copies of the communications should be faxed to headquarters on a weekly or bi-weekly basis and a copy be kept on file in the Pretoria office. Headquarters Operations staff should follow up on this matter and make certain that good written and verbal communication is flowing as outlined above.
- 2) At the beginning of the trip, Mr. Alan Foose of USAID/Pretoria requested that Carolyn Kruger travel to South Africa shortly after the office opening team left and Interim Director Marilyn Edmondson finished her assignment. This trip was requested because of the visibility of this bridging activity, numerous partners involved, and DOH sensitivities.
- 3) Copies of the tax exemption paperwork was given to the headquarters Operations team by Hairston and Hufen for review. If items will be procured by BASICS in other countries (including the USA) and brought into South Africa, steps should be taken by F&A and the Operations team to a secure tax exemption status with the Republic of South Africa on project commodities shipped through customs.

## APPENDICES

**APPENDIX A**

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## Scope of Work - BASICS South Africa Office

The following is a rough scope of work that will be divided between the BASICS team member's Carolyn Hairston/Finance and Mark Hufen/Operations. Please include any items not stated below at the bottom of this page.

Carolyn Hairston:

1. Negotiate with DOH concerning the office space, phone/fax billing, janitorial services, and use of furniture. Produce an agreement with the DOH (M.Hufen to assist).
2. Initiate and complete any logistical support arrangements deemed necessary with Training/Workshop Partners CDC and INTRAH/PRIME.
3. Initiate and attempt to complete field sub-contract arrangements with Mendusa.
4. Research and obtain local BASICS bonding of PHC Coordinator
5. Establish contractual agreements with local vendors (office supplies, computer support/maintenance/trainer, transportation, and those vendors deemed necessary by staff and/or Hairston).
6. Co-Provide an overall BASICS Project orientation to PHC Coordinator, Administrative Assistant and Marilyn Edmondson.
7. Train office staff on BASICS USAID procurement policy, USAID regulations, BASICS Finance & Administration structure.
8. Meet with USAID staff (includes a Protocol visit) to find out what the Mission requires for financial and program reporting requirements.
9. Look into possible duty exemption for BASICS.
10. Develop a practical BASICS office handbook for use by staff.
11. With Interim Director travel to the East London office and pursue sub-contracting agreements with local vendors (hotel w restaurant, facilities that have room for workshops, etc.) and meet with appropriate DOH officials.
12. Meet with BASICS South Africa attorney re: personnel issues, office registration, office taxes and any additional items not listed here.
13. Finalize any outstanding personnel issues.

Mark Hufen:

1. Train Administrative Assistant and PHC Coordinator on the BASICS financial tracking system. Setup advance system with Admin. Assistant so that expenses can be tracked and accounted for (due to CDC, Mendusa, and INTRAH/PRIME sub-contracts).
2. Open a BASICS South Africa bank account and transfer funds to this account.
3. Co-provide an overall BASICS orientation to staff.
4. Assist C. Hairston with DOH negotiations concerning office space, etc. and produce an agreement that is signed by both parties.
5. Coordinate advanced computer training (from local vendor) for field staff as deemed necessary after initial assessment in the field. Coordinate the future installation of an e-mail package with a local computer firm.
6. Meet with USAID and assist C. Hairston on this visit as deemed necessary.
7. Assist C. Hairston in obtaining a private phone line for the BASICS office.
8. Maintain good communications with BASICS/Washington while in S. Africa.
9. Assist with other tasks as requested by C. Hairston. BASICS/Washington, deemed necessary in the field. and/or as time permits.
10. Establish office management guidelines (communications, filing, scheduling, etc.)

**APPENDIX B**

**BRIDGING ACTIVITIES IN TRAINING OF  
TRAINERS IN PHC CLINICAL SKILLS  
AND PHC MANAGEMENT SKILLS**



The Department Of Health South Africa, Eastern Cape Provincial Government And  
Basics Initiatives

# THE TRAINING OF TRAINERS IN PHC CLINICAL SKILLS AND PHC MANAGEMENT INITIATIVES

## 1. Introduction

Three USA based donor agencies, BASICS, INTRAH / PRIME and CDC with the funding from USAID are providing assistance to the Department of health in the following components around PHC:

- ☞ PHC Clinical Skills - Training of Trainers (TOT which will initially concentrate in the Eastern Cape - share lesson from the programme with other Provinces.
- ☞ Health Management Training of Trainers for all 9 provinces - approximately 30 - 35 TOTs will be trained, required number is 3 from each province total of 27 and eight others to be decided on.

## 2. RATIONALE FOR THE PROGRAMME

Contribute to the improvement of PHC services by improving the knowledge skills, and attitude of service providers particularly those in the rural areas, hard to reach clinics and health centres by:

- ☞ Enhancing skills of Trainers in training Primary Health Care Management and Clinical Skills to the current Health Service providers (Clinics, health centres and mobile points)

## 3. PROPOSED DESIGN

### 3.1 PHC Clinical Skills

The programme will concentrate in the eastern Cape. It will be a 4 months course with one week block, and three weeks follow up within the participants working area, by the facilitators and mentors. The course is due in April until July. August and September will be follow up on areas which might have been omitted.

- > Initially the course will train 15 TOTs (3 from each region in the Eastern Cape)

- > Facilitators and mentors will have the orientation package on site evaluation and necessary follow ups in TOTswork - site.
- > People chosen to undergo training should be committed to transferring skills and training others. Added support for the implementation will only be in the Eastern Cape.

### **3.2 PHC Management Skills**

The programme will be incorporating all 9 provinces with 3 from each. 30-35 TOTs will be trained. Still to decide on 8 remaining vacancies.

- > TOTs from this course will be expected to train others based on the plan which they will have developed during their training.
- > Provinces should be committed to supporting this cadre to run such workshops including co-opting somebody within the Province to assist in mentoring.
- > Additional support for implementation will be provided for Eastern Cape.

## **4. INITIAL ACTIVITIES BEFORE THE TRAINING OF TRAINERS STARTS**

Formulation of the Working Group in both areas Management and Clinical skills (approximately 20 people needed for each group) We already have 6 people trained in Atlanta in Health Management and Epidemiology respectively. They are to be part of the working group in Management according to the stipulation in agreement with our donors.

### **4.1 Terms of Reference for Working Group in Management**

- ☛ Develop inventory list of resources that train in PHC management (educators, trainers, etc.)
- ☛ Rapid needs assessments
- ☛ Develop learning objectives
- ☛ Develop curriculum standards
- ☛ Develop training materials (lecture notes, hand outs, overheads, videos distance open learning).

- ☞ Develop evaluation methods and procedures
- ☞ Serve as lectures, facilitators, mentors, and evaluators for TOTs students and or identify skilful people available.
- ☞ Submit plan for consensus and approval by HRD Core Group.

#### **4.2 Terms of Reference Working Group in Clinical Skills**

- ☞ Resource inventory (this would include people who have training skills and speciality around areas to covered within the Eastern Cape Province)
- ☞ Needs assessment to be collated with the potential TOTs students.
- ☞ Design the curriculum, this would include Distance Learning materials, Evaluation Indicators, Clinical Mentors / Preceptors.
- ☞ Preparation of modules / material
- ☞ PHC consensus building at Provincial level.
- ☞ Curriculum approval and accreditation
- ☞ Criteria for selection of TOTs
- ☞ PHC trainers and facilitators, mentors, and preceptors orientation.

#### **5. PHC MANAGEMENT COURSE WILL INCLUDE**

- > Applied epidemiology
- > Management
- > Evaluation
- > Communication
- > Change management
- > Training / Mentoring and evaluation skills

### **Proposed Modules**

- PHC TOT Module 01 - Community participation, interpersonal communications skills and PHC managerial.
- PHC TOT Module 02 - PHC Child Survival Interventions (promotive, preventive, curative and rehabilitative).
- PHC TOT Module 03 - PHC Reproductive Health / Women's Health Interventions (promotive, preventive curative and rehabilitative).
- PHC TOT Module 04 - Training Facilitation and Performance Evaluation.

At the end TOT trained participants will come out with draft plan for local training, distance learning material.

Included is an advert for those who are interested in forming the working group.

***ANNOUNCEMENT!!!! ANNOUNCEMENT!!!!***

***TRAINING OF TRAINERS IN PHC MANAGEMENT AND CLINICAL SKILLS***

***INITIATIVES BETWEEN***

***THE DEPARTMENT OF HEALTH***

***BASICS AND THE***

***EASTERN CAPE DEPARTMENT OF HEALTH***

<b>TERMS OF REFERENCE: WORKING GROUP IN MANAGEMENT</b>	<b>TERMS OF REFERENCE: WORKING GROUP IN CLINICAL SKILLS</b>
1. Develop inventory list of resources that train in PHC management (educators, trainers etc.	1. Resource inventory this would include people who have training skills and speciality around areas to be covered within the Eastern Cape Province.
2. Rapid needs assessment	2. Needs assessment to be collated with potential TOTs students
3. Develop learning objectives	3. Design curriculum ( this would include Distance Learning material, evaluation indicators clinical mentors / preceptors
4. Develop curriculum standards	4. Preparation of modules
5. Develop training materials	5. PHC consensus building at Provincial level
6. Develop evaluation methods	6. Curriculum approval and accreditation
7. Serve as lectures, facilitators, mentors, for TOTs students and to identify skilled people	7. Criteria for selection of TOTs
8. Submit plan of consensus and approval by HRD Core Group	8. PHC trainers and facilitators mentors, and preceptors orientation

**SKILLS NEEDED**

1. Expertise in one of the areas.
2. Curriculum development skills
3. Commitment and time to teach and facilitate TOTs.

***Interested? Please fill in the attached form and hand it over to Pam and Prudence***

**APPENDIX C**

22

## South Africa Office Opening - Issues List

By Category:

I. Personnel:

a. Personnel & Salaries

What has Marilyn Edmonson completed in this area and what will her role be when we arrive?

Do we have written position descriptions on hand?

Have salaries been agreed to?

Are we providing the local hires with benefits?

Should the addition of benefits effect their salary?

What kinds of benefits should we provide them?

Have the local hires been given appointment letters?

Do we have a law firm that will review the letters prior to us signing them and giving them to the new hires?

Have we reviewed basic personnel laws (hiring, firing severance issues, etc.) with the law firm?

Have we acquired a FSN scale from the Mission or other non-governmental organizations for local hires?

Has medical insurance been researched as a part of the employees benefits package? Are we required to provide medical insurance by the South African Government?

How will these employees be paid? Through field accounts? or through BASICS Washington? If through field accounts, what is our liability since the administrator is a local? Would this not be a conflict of interest if the administrator is signing (his or her) own check?

Should we pursue bonding on both employees?

II. Banking:

What kind of bank account do we want? a. Convertible or b. local currency only

Who will be the signatory in the field?

Has a bank account been opened or will Carolyn and me carry out funds to open the bank account? If so, how much?

What is the ceiling amount of a check that the administrator can sign for?

Will we be established the One-Write System or are we using a different accounting package in Pretoria?

If we are using the One-Write, will we have a petty cash account?

If we do have a petty cash account, how much should the monthly float be?

What procedures should we have in regards to advances and who should get them, the mechanism used to obtain receipts and left over funds? Robin - has details on this.

### III. Office and related items

Are we registering as an official business in South Africa or are we covered under USAID?

Are we covered under any VAT agreement? Should we look into this for customs reasons?

Should we meet with the attorneys regarding tax laws and what we are required to submit as a business?

Do we have a permanent office? If not, should we look for a small property and negotiate a lease?

If we do have a permanent office in the MOH, do we need our own furniture? fax and phone line? Has a lease agreement (or MOU) been signed between the MOH and BASICS for the current space? Particularly when it comes to phone & fax bills, water, electricity, lease, etc.

Do we need our own dedicated fax and phone line?

Are computer systems set up in the Pretoria office? Do we need to order them computer equipment that can be installed at the office by a local contractor? Do they need e-mail with BASICS?

Does the staff need an office vehicle? Are they allowed to have a vehicle since they are local hires? Is there a vehicle in the budget or will they rent a vehicle, short or long term basis? Or will they be advanced petty cash funds to take a cab or public transportation?

### IV. Procurement/Contracts

What forms should we carry out to the field and which ones (sensitivity) will we not carry out?

What kind of sub-contracts should we set up on this trip?

Should we provide the administrator full training on field procurement as well as what BASICS goes through in procurement?

Should we establish relationships with vendors (e.g., office supplies, computer support, local DHL account, etc.) and sign agreements with them?

How about the sub-contract agreements with CDC and other collaborating groups? Will Carolyn work with them to reach agreements?

What Office manual (template) should we take with us to fashion our policies/procedures manual after (considering of course that South African labor laws will change some of the substance, and also complementing BASICS overall policy). Should we contact other USAID funded projects to get an idea of their personnel manuals and procedures?

Do we want to hire a CPA/Auditing firm to conduct an annual audit of our files, procedures etc..? If so, what kind of audit do we want? and what kind of firm do we want to hire?

Do we want Carolyn to give the administrator training in AID regulations (both contractual and local)?

OTHER ISSUES NOT LISTED --- Please list below or on back

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**APPENDIX D**



## **BASIC SUPPORT FOR INSTITUTIONALIZING CHILD SURVIVAL**

### **MEMORANDUM**

**DATE:** March 1, 1996  
**TO:** File  
**FROM:** Mark Hufen  
**SUBJECT:** Record of meeting between USAID Misison Director Alan Foose and BASICS Contracts Administrator Carolyn Hairston. Iterim Country Director Marilyn Edmondson, and Program Assistant Mark Hufen on Monday, February 12, 1996.

On February 12, 1996 at 2:00pm the above stated individuals met in order to have a meeting concerning the following items:

- 1.) C. Hairston and M. Hufen's scope of work while in S. Africa,
- 2.) Medunsa activities were discussed,
- 3.) Copies of the BASICS employee contracts were given by M. Edmondson to A. Foose for his review,
- 4.) Upon request, A. Foose provided the BASICS team with tax exemption paperwork, the name of the USAID customs clearance agent, and the offer of any assistance in clearing of our computer equipment, and,
- 5.) Quarterly financial reporting requirements were discussed.

**A USAID-financed project administered by The Partnership for Child Health Care, Inc.**

Partners: Academy for Educational Development (AED), John Snow, Inc. (JSI)  
and Management Sciences for Health (MSH)

1600 Wilson Boulevard, Suite 300, Arlington, VA 22209 USA  
Phone 703-312-6800 Fax 703-312-6900

**APPENDIX E**

DRAFT

## BASIC SUPPORT FOR INSTITUTIONALIZING CHILD SURVIVAL

Dr. S. Hendricks  
Department of Health  
CIVITAS Building  
242 Struben Street, Room 2214A  
Pretoria, South Africa 0001

Subject: Letter of Understanding  
Between The Department of Health/Pretoria and  
The Partnership for Child Health Care, Inc.\BASICS - Pretoria

Dear Dr. Hendricks:

The purpose of this letter is to formalize administrative arrangements with regard to office facilities provided to BASICS\Pretoria (BASICS) by the Department of Health\Pretoria (DOH) in support of activities under the USAID/Pretoria Bridging project.

The DOH has agreed to provide office facilities for two local BASICS staff for the 14 months duration of the project--effective immediately through March 31, 1997. The following is a list of items that are mutually agreed upon by both parties:

1. Office Space

The MOH has assigned office number 2214A, CIVITAS Building, 242 Streuben Street, Pretoria 0001, to BASICS personnel at no cost to BASICS. In the event that the MOH should require this space for other purposes, the MOH will provide BASICS staff with 30 days prior notice to vacate office number 2214A; another office of comparable dimensions will be provided to BASICS by the MOH.

Upon termination of this activities as of March 31, 1997, BASICS will vacate the assigned office.

2. Office Furnishings

Major office furnishings--desks, chairs, file cabinets, bookcases, etc. will be provided to BASICS by the DOH at no cost to BASICS. A verified inventory checklist of furnishings provided will be prepared and maintained by BASICS and will serve as the official inventory log of furnishings to be returned to the DOH inventory at termination of BASICS activities. A preliminary inventory is included here as Attachment A. This list will be updated as necessary.

The BASICS Project will provide all computer equipment and fax machine and applicable software, supplies and maintenance. A separate inventory of such equipment will be maintained by BASICS, with an information copy provided top

the DOH. A preliminary inventory is included here as Attachment B.

3. Utilities

MOH will be responsible for all utility costs, including heating, cooling, electricity and water.

4. Office Supplies

BASICS will be responsible for procuring all office supplies for use by BASICS personnel.

5. Phone & Fax

BASICS will utilize 2 DOH telephone lines for fax, phone (separate phone numbers) and e-mail use on a use/cost reimbursable basis. The DOH will provide to BASICS an invoice (preferably monthly) including a listing of all calls, fax transmissions and any/all calling charges.

6. Transportation/Courier

BASICS is responsible for local ground transportation/courier costs incurred on behalf of BASICS.

If the terms as stated above are agreeable to you, please indicate your agreement by signing in the space provided below and returning a signed copy of this letter to the attention of Carolyn Hairston, Contract Administrator, Partnership for Child Health Care\BASICS Project, 1600 Wilson Boulevard, Suite 300, Arlington, VA 22209, USA. If you have any questions or comments, please feel free to contact Ms. Hairston at (703) 312-6800 by telephone or at (703) 312-6900 by fax.

Sincerely,

Judy Yang  
Deputy Director  
Finance and Administration

Attachments (A & B)

AGREED:

\_\_\_\_\_

Name and Title

\_\_\_\_\_

Date

## BASIC SUPPORT FOR INSTITUTIONALIZING CHILD SURVIVAL

Date, 1996

Dr. S. Stamper  
Deputy Permanent Secretary  
Health Services  
Department of Health  
Private Bag X0038  
Bisho, South Africa 0001

Subject: Letter of Understanding  
Between The Department of Health/Eastern Cape Province and  
The Partnership for Child Health Care, Inc.\BASICS

Dear Dr. Stamper:

The purpose of this letter is to formalize administrative arrangements with regard to office facilities provided to BASICS\Eastern Cape (BASICS) by the Department of Health\Eastern Cape (DOH) in support of activities under the USAID/Pretoria Bridging project.

The DOH has agreed to provide office space for use by BASICS/Pretoria staff and other consultants who from time to time may visit Eastern Cape in support of bridging activities, effective immediately through March 31, 1997. The following is a list of items that are mutually agreed upon by both parties.

1. Office Space

The MOH has assigned office space number ---, Department of Health, Bisho, South Africa (Eastern Cape Province) to BASICS personnel at no cost to BASICS. In the event that the MOH should require this space for other purposes, the MOH will provide BASICS staff with 30 days prior notice to vacate office number ---; another office of comparable dimensions will be provided to BASICS by the MOH.

Upon termination of this activities as of March 31, 1997, BASICS will vacate the assigned office.

2. Office Furnishings

Major office furnishings--at a minimum 1 desk, 1 desk chair, 2 visitor chairs, 1 small storage cabinet, 1 small bookcase, etc. will be provided to BASICS by the DOH at no cost to BASICS. A verified inventory checklist of furnishings

Dr. S. Stamper  
Page 2  
Date, 1996

provided will be prepared and maintained by BASICS and will serve as the official inventory log of furnishings to be returned to the DOH inventory at termination of BASICS activities. A preliminary inventory is included here as Attachment A. This list will be updated as necessary.

3. Utilities

MOH will be responsible for all utility costs, including heating, cooling, electricity and water.

4. Office Supplies

BASICS will be responsible for procuring all office supplies for use by BASICS.

5. Phone & Fax

The DOH will provide and BASICS will utilize 1 DOH telephone line on a use/cost reimbursable basis for the 14 months of BASICS activities. The DOH will provide to BASICS a monthly summary list of telephone calls and fax transmissions, including numbers and cost. This list will serve as an invoice against which BASICS will reimburse the DOH for actual cost only.

6. Computer Equipment and Maintenance

BASICS will provide its own computer equipment, including printers and software and computer maintenance support over the 14 months of BASICS activities within the DOH.

7. Transportation/Courier

BASICS is responsible for local ground transportation/courier costs incurred on behalf of BASICS.

If the terms as stated above are agreeable to you, please indicate your agreement by signing in the space provided below and returning a signed copy of this letter to the attention of Carolyn Hairston, Contract Administrator, Partnership for Child Health Care, Inc.\BASICS Project, 1600 Wilson Boulevard, Suite 300, Arlington, VA 22209, USA.

Dr. S. Stamper  
Page 2  
Date, 1996

If you have any questions or comments, please feel free to contact Ms. Hairston at (703) 312-6800 by telephone or at (703) 312-6900 by fax.

Sincerely,

Judy Yang  
Deputy Director  
Finance and Administration

Attachment A

cc: S. Siwahla, DOH  
C. Kruger, BASICS

AGREED:

\_\_\_\_\_  
Name and Title

\_\_\_\_\_  
Date

**APPENDIX F**

DETENTION SLIP.

TRANSFER OF GOODS FROM CUSTOMS HALL TO STATE WAREHOUSE

BOND NO: 257  
EX-FLIGHT SA 202

DATE: 96/02/10  
FROM: New York

IMPORTER:  
NAME: C. Hirston  
COMPANY: \_\_\_\_\_  
ADDRESS: 1600 Wilson Boulevard  
Suite 300  
Arlington, USA  
VA 22209 CODE: \_\_\_\_\_  
TEL NO: \_\_\_\_\_

GOODS DETAINED :  
DESCRIPTION OF PARCELS : 12 x Boxes.  
Computers, fax machines,  
office supplies.  
VALUE DECLARED OF : \$ 9,445.00

REASON FOR DETENTION: \_\_\_\_\_

- 1) COMMERCIAL GOODS IMPORTED AS PASSENGERS BAGGAGE, THEREFOR FORMAL CLEARANCE IS REQUIRED [ DA 500 ]
- 2) DUTY ONLY AS PER ASSESMENT: \_\_\_\_\_  
DATED: \_\_\_\_\_  
DUE: \_\_\_\_\_
- 3) LOST PROPERTY - STILL TO BE CLEARED.
- 4) PERMANENT IMPORTATION OF FIRE-ARMS
  - CONTACT CENTRAL FIRE-ARM REGISTER FOR S.A.P.312
  - CONTACT DEPT. OF TRADE & INDUSTRY FOR IMPORT PERMIT
  - APPLICABLE DUTIES STILL TO BE PAID
- 5) DOCUMENTARY EVIDENCE OF PURCHASE IN R.S.A IS REQUIRED
- 6) OTHER: \_\_\_\_\_

REMOVE TO STATE WAREHOUSE

THE OFFICER IN CHARGE STATE WAREHOUSE  
PLEASE ACCEPT THE ABOVE MENTIONED GOODS INTO THE STATE WAREHOUSE AS FOLLOWS  
UC \_\_\_\_\_  
PD \_\_\_\_\_  
SG \_\_\_\_\_  
AG \_\_\_\_\_  
POLIC \_\_\_\_\_

NOTE:  
STATE WAREHOUSE RENT MAY BE CHARGED ON GOODS DETAINED.  
THIS DEPT. DOES NOT UNDERTAKE THE CLEARING AND FORWARDING OF GOODS - YOU ARE ACCORDINGLY ADVISED TO ARRANGE WITH A CLEARING/FORWARDING AGENT

I HEREBY ACCEPT THE ORIGINAL COPY OF THIS DETENTION SLIP:

SIGN: [Signature] DATE: 96-02-10

CUSTOMS OFFICER: [Signature] STAMP: \_\_\_\_\_ end.



## BASIC SUPPORT FOR INSTITUTIONALIZING CHILD SURVIVAL

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1600 Wilson Boulevard, Suite 300, Arlington, VA 22209 USA

Phone: 703-312-6800 Fax: 703-312-6900

### COMMERCIAL INVOICE / BASICS INVENTORY CHECKLIST

**Ship To:**

Attention: \_\_\_\_\_

Phone #: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**CONTENTS: Computer equipment**

**Contents are not for resale; Interco**

**NOTE: Consignee's signature certf**

**Return signed BASICS Inventory C**

<u>Equipment Description:</u>	<u>Serial #</u>	<u>Tag #</u>	<u>Qty</u>	<u>Unit Cost</u>	<u>Total Cost</u>
<b>South Africa Region</b>					
- Dell Dimension XPS P100c, 540 HDD, 3'5 Floopy drive, 15" Color Dell monitor, keyboard and mouse		02-0536	1	\$2,500	\$2,500
- APC UPS 400I - 110/120		02-0530	1	\$323	\$323
- Practical Periph 14.4 Internal Fax/Modem			1	\$93	\$93
- Colorado T1000 backup drive (400/800MB) - internal			1	\$175	\$175
- Tapes for Colorado T1000			2	\$21	\$42
- Dell Latitude LX4100D laptop , 4MB RAM, 420HD		02-1023 and 02-1024	2	\$2,500	\$5,000

dr

Date: \_\_\_\_\_



# BASIC SUPPORT FOR INSTITUTIONALIZING CHILD SURVIVAL

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1600 Wilson Boulevard, Suite 300, Arlington, VA 22209 USA

Phone: 703-312-6800 Fax: 703-312-6900

## COMMERCIAL INVOICE / BASICS INVENTORY CHECKLIST

### Ship To:

Attention: \_\_\_\_\_

Phone #: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**CONTENTS: Computer equipment**

**Contents are not for resale; Interco**

**NOTE: Consignee's signature certf**

**Return signed BASICS Inventory C**

<b><i>Equipment Description:</i></b>	<b><u>Serial #</u></b>	<b><u>Tag #</u></b>	<b><u>Qty</u></b>	<b><u>Unit Cost</u></b>	<b><u>Total Cost</u></b>
AT&T 14.4 PCMCIA Fax/Modem			2	\$182	\$363
HP LaserJet 5P printer, toner cartridge, printer cable		02-0531	1	\$1,054	\$1,054
Box of Disks (Windows for Workgroups, Virus Scan)			3	\$10	\$30
Procomm Plus for Windows			1	\$119	\$119
McAfee Virus Scan 2.1 for Windows			1	\$39	\$39
Lotus 123 release 5 for Windows			1	\$79	\$79
Harvard Graphics 3.0 for Windows			1	\$106	\$106
Windows for Workgroups Users Guide			2	\$0	\$0
DOS 6.2 Users Guide			2	\$0	\$0
WP 6.1 for Windows Quick Reference			2	\$11	\$22

Received Complete: \_\_\_\_\_ Date: \_\_\_\_\_



# BASIC SUPPORT FOR INSTITUTIONALIZING CHILD SURVIVAL

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1600 Wilson Boulevard, Suite 300, Arlington, VA 22209 USA

Phone: 703-312-6800 Fax: 703-312-6900

## COMMERCIAL INVOICE / BASICS INVENTORY CHECKLIST

### Ship To:

Attention: \_\_\_\_\_

Phone #: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**CONTENTS: Computer equipment**

**Contents are not for resale; Interco**

**NOTE: Consignee's signature certf**

**Return signed BASICS Inventory C**

### Equipment Description:

Printer Sharing Switch, Cable

International Wall Outlets

**Total Value**

Serial #

Tag #

Qty

Unit  
Cost

Total  
Cost

1

\$50

\$50

3

\$10

\$30

**\$9,945**

Date: \_\_\_\_\_

Received Complete: \_\_\_\_\_

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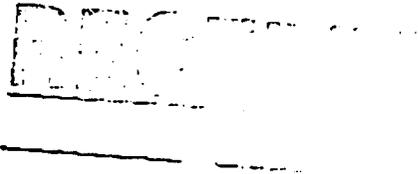
**International Technologies Trading, Inc.**

14 Bloomingdale Court, Rockville, Maryland 20852 U.S.A.  
Phone: 301-984-3254 . Fax: 301-984-3922

**COMMERCIAL INVOICE**

February 8, 1996

**BASICS**  
1600 Wilson Blvd.  
Suite 300  
Arlington, VA 22209  
Attn: Accounts Payable



Ref: Purchase Order No. 329 Requested by Ken Pinkela

<i>Description</i>	<i>Qty</i>	<i>Unit Price</i>	<i>Ext. Price</i>
1- HP OfficeJet Plain Paper Fax Machine (220V/50Hz)	1	\$705	\$705
2- Delivery to Arlington, VA	2		25
<b>Total C&amp;F Arlington, VA</b>			<b>\$730</b>

Payment Terms: Net 30 Days, 1.5% Finance Charges Per Month After 30 Days  
Invoice Due Date: March 8, 1996

Thank you.

Sincerely

*Michael Mousavi*  
Michael Mousavi



**BASIC SUPPORT FOR INSTITUTIONALIZING CHILD SURVIVAL**

TO WHOM IT MAY CONCERN:

Mr. Mark Hufen and Ms. Carolyn Hairston are employed by the Partnership for Child Health Care, Inc. to provide services for the BASICS Project which is funded by the United States Agency for International Development. They are traveling to South Africa with office equipment which has been purchased with USAID funds to help support the Department of Health's primary health care activities in South Africa. Please assist them with any procedures that they may need to follow to clear this equipment through customs.

Thank you for your assistance.

Sincerely,

A handwritten signature in cursive script that reads "Glenn Patterson".

Glenn Patterson  
Project Director

**APPENDIX G**

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

USAID/SOUTH AFRICA

Tel: (012) 323-8869

P.O. Box 55380  
Arcadia, Pretoria 0007

Fax: (012) 323-6443



January 2, 1996

Department of Foreign Affairs  
Union Buildings  
East Wing  
Pretoria

Customs and Excise  
Du Toit Building  
Paul Kruger Street  
Pretoria

Inland Revenue  
Vermeulen Street 240  
Pretoria

Department of Home Affairs  
Immigration Section  
Civitus Building  
Comer Bloed & Andries Streets  
Pretoria

Re: Exemption from Duties and Taxation

Dear Sir/Madam:

This letter is to certify that the Southern Africa Enterprise Development Fund ("SAEDF") is a grantee of the United States Agency for International Development ("USAID"), under a grant agreement entered into in October 1994, and is engaged in carrying out a Southern Africa regional program of economic assistance financed by the United States Government.

Accordingly, pursuant to the bilateral Economic, Technical and Related Assistance Agreement (the "Framework Bilateral") between the Government of the United States of America and the Government of the Republic of South Africa, dated 5 December, 1995, the SAEDF is entitled, including retroactively, to duty and tax-free importation of all goods, materials, equipment, funds and supplies, and is exempt from all income, profits, business and other similar taxes. For your convenience, we have enclosed a copy of the Framework Bilateral.

Please be advised that Mr. Steven Weddle has been appointed the President and Chief Executive Officer of the SAEDF, and he is expected to arrive in South Africa on or about 28 December, 1995. Under the terms of the Framework Bilateral, certain privileges and immunities apply to employees of USAID contractors and grantees who are present in the Republic of South Africa to carry out the bilateral or regional program of economic assistance. Specifically, Mr. Weddle and other persons who are employed by the SAEDF are entitled, within six months of arriving in the Republic of South Africa, to duty and tax-free importation of their personal effects and household goods (including one vehicle), and to export such personal effects free of duties and other fiscal charges at the end of their stay in the Republic of South Africa.

Also, it is our understanding that SAEDF employees will be entitled, after residing in the Republic of South Africa for a period of not less than two years, to sell at cost those items among their personal effects and household goods (including a vehicle) that are no longer needed, free of duties, taxation or other surcharges. Finally, please be advised that the Government of the Republic of South Africa agreed in the Framework Bilateral to facilitate the issuance of all visas, permits and other authorizations required to enable employees of USAID contractors and grantees to work in the Republic of South Africa and for them and their families to enter, remain, reside in and leave the Republic of South Africa at any time and from time to time, as required.

We greatly appreciate your assistance in helping to implement the regional program being carried out by the SAEDF. If you have any questions regarding the matters discussed in this letter, please contact the USAID offices in Pretoria.

Sincerely,

15/

Pamela White  
First Secretary  
USAID/South Africa

Enclosure: a/s

u:\rfa\docs\taxcomp hr

ECONOMIC, TECHNICAL AND RELATED ASSISTANCE AGREEMENT  
BETWEEN  
THE GOVERNMENT OF THE UNITED STATES OF AMERICA  
AND  
THE GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA

PREAMBLE

The Government of the United States of America and the Government of the Republic of South Africa (hereinafter jointly referred to as the "Parties"),

.....

have agreed as follows:

ARTICLE 1

The Government of the United States of America will furnish such economic, technical and related assistance hereunder as may be requested by representatives of the appropriate agency of the Government of the Republic of South Africa and approved by representatives of the agency designated by the Government of the United States of America to administer its responsibilities hereunder, or as may be requested and approved by other representatives designated by either of the Parties. The furnishing of such assistance shall be subject to applicable United States laws and regulations. It shall be made available in accordance with arrangements agreed upon between the above-mentioned representatives.

ARTICLE 2

1. The Government of the Republic of South Africa will-  
(a) make the full contribution permitted by its personnel, resources, facilities, and general economic condition in furtherance of the purposes for which assistance is made available hereunder;

(b) take appropriate steps to assure the effective use of such assistance;

(c) cooperate with the Government of the United States of America to assure that procurement will be at reasonable prices and on reasonable terms;

(d) without restriction, other than those normally applied to representatives of foreign countries in accordance with international law, permit continuous observation and review by United States representatives of programs and operations hereunder, and records pertaining thereto;

(e) provide the Government of the United States of America with full and complete information concerning such programs and operations and other relevant information which the Government of the United States of America may need to determine the nature and scope of operations and to evaluate the effectiveness of the assistance furnished or contemplated; and

(f) give to the people of the Republic of South Africa full publicity concerning assistance programs and operations hereunder.

2. With respect to cooperative technical assistance programs hereunder, the Government of the Republic of South Africa will

(a) bear a fair share of the costs thereof;

(b) to the maximum extent possible, seek full coordination and integration of technical cooperation programs being carried on in South Africa; and

(c) cooperate with other nations participating in such programs in the mutual exchange of technical knowledge and skills.

### ARTICLE 3

1. In any case where commodities or services are furnished on a grant basis under arrangements which will result in the accrual of proceeds to the Government of the Republic of South Africa from the import or sale of such commodities or services, the Government of the Republic of South Africa, except as may otherwise be mutually agreed upon by the representatives referred to in Article 1 hereof, will:

(a) establish, for the purposes of this Agreement, a Special Account in its own name in the Republic of South Africa;

(b) deposit promptly in such Special Account the amount of local currency equivalent to such proceeds; and

(c) upon notification from time to time by the Government of the United States of America of its local currency requirement, will make available to the Government of the United States of America, in the manner requested by that Government, out of any balances in the Special Account, such sums as are stated in such notifications to be necessary for such requirements.

2. The Government of the Republic of South Africa may draw upon any remaining balances in the Special Account for such purposes beneficial to South Africa as may be agreed upon from time to time by the representatives referred to in Article 1 hereof.

3. Any unencumbered balances of funds which remain in the Special Account upon termination of assistance hereunder to the Government of the Republic of South Africa shall be disposed of for such purposes as may be agreed upon by the representatives referred to in paragraph 1 hereof.

#### ARTICLE 4

1. The Government of the Republic of South Africa will receive a special mission to carry out and discharge the responsibilities of the Government of the United States of America under this Agreement.

2. The special mission will enjoy the same inviolability of premises as is extended to the diplomatic mission of the United States of America and the Government of the Republic of South Africa shall accord all United States Government employees (and their families) who are present in South Africa to perform work in connection herewith, except for diplomatic agent personnel covered under Article 7 below, full and complete immunity from criminal jurisdiction and from civil jurisdiction in regard to acts performed by them in the performance of their official functions.

3. The Government of the United States of America will, subject to due consideration of its own law, endeavor to assure respect for the law of the Republic of South Africa by United States Government employees enjoying immunities and privileges in terms of this Agreement and will:

(a) be prepared to discuss such disputes as may arise in regard to the conduct of any such employee concerning immunities and privileges in terms of this Agreement; and

(b) remove as promptly as feasible, either on its own initiative or on the request of the Government of the Republic of South Africa, any United States Government employee covered by this Agreement who may abuse the privileges or immunities granted herein.

#### ARTICLE 5

1. In order to assure the maximum benefits to the people of South Africa from the assistance to be furnished hereunder, the agency designated by the Government of the United States of America to administer its responsibilities in terms of this Agreement shall be exempt from taxes, duties, levies, deductions or other imposts of any kind, whether considered to be direct or indirect, other than such as represent payment for specific services rendered (i.e. utilities): without limitation this exemption includes stamp, registration and similar duties. Notwithstanding, individual employees of or contractors financed by the Government of the United States of America under this Agreement shall be subject to the regulations and practices of the Government of the Republic of South Africa regarding payment of taxes normally included in the price of goods and services.

2. Any supplies, materials, equipment, or funds introduced into or acquired in South Africa by the Government of the United States of America, or any contractor or grantee financed by that Government, for purposes of any program or project conducted hereunder or any Southern Africa Regional program financed by the United States Government, shall, whilst such supplies, materials, equipment or funds are used in connection with such a program or project, be exempt, including retroactively, from any taxes on ownership or use of property and any other taxes, investment or deposit requirements, and currency controls in South Africa, and the import, export, purchase, use, or disposition of any such supplies, materials, equipment or funds in connection with such a program or project shall be exempt, including retroactively, from any tariffs, customs duties, import and export taxes, taxes on purchase or disposition of property, and other taxes or similar charges in South Africa. The exemption from currency controls shall not apply to funds acquired in the Republic of South Africa for purposes not related to the official functions of the Government of the United States of America. No tax (whether in the nature of

an income, profits, business, or other tax), duty or fee of whatsoever nature shall be imposed upon any contractor in respect of work financed by the Government of the United States of America hereunder.

3. The exemption from taxation referred to in this Article, excepting the taxation referred to in paragraph two above, will not apply to such dues and taxes payable under the law of the Republic of South Africa by persons contracting with the agency designated to administer the responsibilities of the Government of the United States of America under this Agreement or any contractor financed by the Government of the United States of America who are citizens and/or permanent residents of the Republic of South Africa.

4. All personnel (and their families), except citizens and/or permanent residents of South Africa, and persons covered under Article 7 below, whether

(i) employees of the Government of the United States of America or any agency thereof;

(ii) individuals under contract with, or employees of public or private organizations under contract with, the Government of the Republic of South Africa or any agency thereof; or

(iii) individuals under contract with or financed by, or employees of public or private organizations under contract with or financed by, the Government of the United States of America or any agency thereof,

who are present in South Africa to perform work in connection with this Agreement or Southern Africa Regional program financed by the government of the United States of America shall be accorded exemptions, concessions and privileges in respect of taxation, import duties and otherwise, no less favorable than those accorded to such employees of comparable bilateral governmental assistance organizations, and shall, including retroactively:

(a) not be subject to income or similar taxes in respect of salaries and other similar payments, and emoluments;

(b) be entitled, within six months of arriving in the Republic of South Africa, to import free of customs and import duties, taxation and surcharge, personal effects (including one vehicle for personal or family use) and household goods and to export the same free of export duties and other fiscal charges, at the end of their stay in the Republic of South Africa: Provided that the six month period will be leniently applied where circumstances and fairness may so require: Provided further that the employment

conditions of personnel regarding importation of personal effects and goods for personal consumption shall be recognized, and in particular all such personnel (and their families) who return from home leave in the United States of America shall be allowed the same duty free import privileges as are customarily allowed to representatives of comparable rank of the United States of America employed at its Embassy in the Republic of South Africa; and

(c) be exempt from social security provisions and compulsory military service.

5. Funds introduced into South Africa for purposes of furnishing assistance hereunder shall be convertible into the Rand currency at the rate providing the largest number of units of such currency per United States dollar which, at the time the conversion is made, is not unlawful in South Africa.

#### ARTICLE 6

1. The Government of the Republic of South Africa will facilitate the issue of all visas, permits and other authorizations required to enable employees of the agency designated to administer the Government of the United States of America's obligations under this Agreement, and of contractors and grantees financed by that Government under this Agreement, to work in the Republic of South Africa, and for such employees and their families to enter, remain and reside in and leave the Republic of South Africa at any time and from time to time, as required, in order to carry out the Government of the United States of America's responsibilities under this Agreement.

2. The Government of the Republic of South Africa will, as far as possible, give favorable consideration to applications for work permits for spouses of personnel of the agency designated by the Government of the United States of America to carry out its responsibilities under this Agreement.

#### ARTICLE 7

This Agreement shall not regulate the immunities and privileges to be accorded to members of the staff of the agency designated by the Government of the United States of America to administer its obligations in terms of this Agreement who are accredited members of the staff of the Embassy of the United States of America in the Republic

of South Africa, the number of which will be determined between the two Governments.

#### ARTICLE 8

The Parties will establish procedures, within the limits of their respective constitutional principles, whereby the Government of South Africa will so deposit, segregate, or assure title to all funds allocated to or derived from any program of assistance undertaken hereunder by the Government of the United States of America that such funds shall not be subject to garnishment, attachment, seizure, or other legal process by any person, firm, agency, corporation, organization, or government when the Government of the Republic of South Africa is advised by the Government of the United States of America that such legal process would interfere with the attainment of the objectives of the program of assistance hereunder.

#### ARTICLE 9

All or any part of any program of assistance provided hereunder may, except as may otherwise be provided in arrangements agreed upon pursuant to Article 1 hereof, be terminated by either Government if that Government determines that because of changed conditions the continuation of such assistance is unnecessary or undesirable. The termination of such assistance under this provision may include the termination of deliveries of any commodities hereunder not yet delivered.

#### ARTICLE 10

1. This Agreement shall enter into force upon signature.
2. Any amendment agreed upon by the Parties shall be effected by an Exchange of Notes, or such other means as may be agreed upon by the Parties.

#### ARTICLE 11

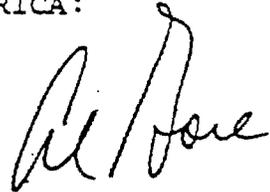
This Agreement shall remain in force until thirty days after the receipt by either Government of written notification of the intention of the other to terminate it. Notwithstanding any such termination, however, the provisions hereof shall

remain in full force and effect with respect to assistance theretofore furnished.

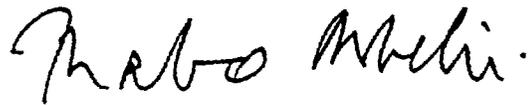
IN WITNESS WHEREOF, the respective representatives, duly authorized for the purpose, have signed the present Agreement in duplicate, in the English language.

DONE AT *Pretoria* on the *fifth* day of *December*, 1995.

FOR THE GOVERNMENT OF  
THE UNITED STATES OF  
AMERICA:



FOR THE GOVERNMENT OF  
THE REPUBLIC OF SOUTH  
AFRICA:



**APPENDIX H**

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012 3232609

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2001



Suite 501 Fifth floor Vigilans Building 287 Pretorius Street 0002  
PO Box 3925 or PO Box 456 Pretoria 0001 Tel (012) 328 5645 or 323 7757 Fax (012) 325 7305

**FAX TRANSMISSION SHEET**

**U R G E N T**

<b>TO :</b>	DR MARILYN EDMONDSON
<b>FAX NO:</b>	(012) 3286102
<b>ATTN :</b>	-
<b>FROM :</b>	ELMA ROWLANDS
<b>DATE :</b>	15 FEBRUARY 1996
<b>NO. OF PAGES (INCLUDING THIS ONE):</b>	5
<b>RE:</b>	PROPOSAL FORMS THAT NEED TO BE COMPLETED

FURTHER TO OUR TELECON WITH MARK HUFEN ATTACHED PLEASE FIND TWO PROPOSAL FORMS THAT THE INSURANCE COMPANY REQUIRE TO BE COMPLETED IN DETAIL AND RETURNED TO OUR OFFICES.

REGARDS,

ELMA ROWLANDS

We are serious about s:



Transit: Is any of the property/equipment removed from the premises?  Yes  No  
If 'Yes' is it regularly? — If so please detail \_\_\_\_\_

*(Please note regular transits will require special terms. In particular theft from unattended vehicles will usually be excluded)*

Past Losses: Have your premises been entered in the last three years?  Yes  No  
If Yes, give details \_\_\_\_\_

What protections were installed to prevent a repetition? \_\_\_\_\_

Protections: Do you take any special precautions with computer equipment when not in use e.g. locking in strongroom  Yes  No  
If Yes, give details \_\_\_\_\_

Computers: *(Additional information)*  
Is the equipment a)  Owned b)  Hired c)  Leased

If leased, please provide a copy of the lease agreement.

Maintenance agreement in force?  Yes  No

Is lightning and power surge protection fitted?  Yes  No

Where do you keep your computer discs? \_\_\_\_\_

Do you have back-up computer discs?  Yes  No

If Yes — where are they kept? \_\_\_\_\_

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Broker \_\_\_\_\_ Branch \_\_\_\_\_  
Agent No. \_\_\_\_\_ Policy No. \_\_\_\_\_

**COMMERCIAL FIDELITY PROPOSAL**

**PROPOSER** *(Please include the names of subsidiary/associated companies if any of their employees are to be insured)*

\_\_\_\_\_  
\_\_\_\_\_

**ADDRESS** Postal \_\_\_\_\_ Code \_\_\_\_\_  
Physical (if different) \_\_\_\_\_

**BUSINESS/OCCUPATION** \_\_\_\_\_

**Commencement Date (DD/MM/YY)** \_\_\_\_\_ 19 \_\_\_\_

**Type of policy required (Please tick appropriate box)**

- (a) A specific sum insured against each employee/category of employees?
- (b) A floating sum insured over all employees/categories of employees?
- (c) Policy (b) but with a restricted limit for any one employee?

**LIMITS** (a) All employees R \_\_\_\_\_  
(b) Any one employee (a lower figure than (a) secures a reduction in premium) R \_\_\_\_\_

Please answer the following questions (if insufficient space has been provided, please reply on a separate sheet)

1. Have you ever suffered a loss as a result of fraud or dishonesty? \_\_\_\_\_
2. Have your systems been examined and passed by your Auditors? \_\_\_\_\_
3. Are the systems approved by your Auditors fully implemented? \_\_\_\_\_
4. If 2 and/or 3 is "no", are you prepared to allow your Auditors to examine your systems? \_\_\_\_\_
5. Will you implement your Auditor's recommendations? \_\_\_\_\_
6. Do you carry out spot checks to ensure that approved systems are being implemented? \_\_\_\_\_
7. Do you, and will you continue to, obtain written references for all new employees? (covering at least the previous 3 years) \_\_\_\_\_
8. If 7 is no, what steps do you take to ensure the integrity of your new employees? \_\_\_\_\_

**DECLARATION**

I/We declare that to the best of my/our knowledge and belief, the honesty and conduct of the employees have always been satisfactory, the system of check and supervision and the requirements of the Company as indicated on this form or in any negotiation concerning this insurance will be carried out and that this proposal together with any supplementary declaration or statement shall form the basis of the contract between me/us and Guardian National Insurance Company Limited

Date: \_\_\_\_\_ \*Signature: \_\_\_\_\_

**Note:** \*This form should not be signed by a person to be guaranteed other than a senior executive official of a Limited Company, Corporation or Society authorised to sign on its behalf

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**APPENDIX I**



# FIDELITY GUARANTEE ACCEPTANCES (PTY) LTD

*Estimate proposal/decline by 24/2/27*

Underwriting Agents for Protea Insurance Company Limited  
Evapark Block C Suite 206 Judges Ave DF Malan Dr Cresta PO Box 4012 Cresta 2118  
Tel (011) 473 0160 Fax (011) 473 0163

## PROPOSAL AND QUESTIONNAIRE COMMERCIAL FIDELITY GUARANTEE INSURANCE

Broker .....

Contact Name ..... Tel ..... Fax .....

IT IS IMPORTANT TO PROVIDE FULL AND DETAILED ANSWERS TO ALL QUESTIONS TO ENABLE THE UNDERWRITER TO TREAT EACH PROPOSAL ON ITS OWN MERITS.  
THE PROPOSER IS OBLIGED TO REVEAL ANY MATERIAL FACT OR INFORMATION WHICH MIGHT AFFECT THE JUDGEMENT OF THE UNDERWRITER IN DECIDING WHETHER TO ACCEPT THE PROPOSAL OR TO IMPOSE SPECIAL CONDITIONS.

### SECTION ONE - PARTICULARS OF THE PROPOSER

- 1.1. Name of Proposer *Patronage & World Health Care Inc | BASICS*
- 1.2. Postal Address *Private Bag 2087, Office 2214 A  
Orlando, SF 0001*
- 1.3. Physical Address *242 St Paul Street Orlando, SF 0001*
- 1.4. Branches to be included *NA*

IT IS ADVISABLE TO INSURE INDEPENDENTLY OPERATING BRANCHES WHICH ARE REMOVED FROM THE DIRECT CONTROL OF HEAD OFFICE UNDER A SEPARATE POLICY.

- 1.5. Nature of Business *New firm for various services by USMC which provides  
valuable services - extension of child services  
1874 St. Paul*
- 1.6. When Established? *1998*

### SECTION TWO - INSURANCE HISTORY

2.1. Do you currently hold a Fidelity Guarantee Insurance? YES / NO  
If YES, give particulars and state whether this policy is to remain in force.

2.2. Has any insurer ever cancelled or refused to accept or continue any Fidelity Guarantee Insurance or imposed special conditions? YES / NO  
If YES, give particulars.

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SECTION THREE - EMPLOYEES

DEFINITION :

EMPLOYEE SHALL MEAN

- (A) ANY PERSON WHILE EMPLOYED UNDER A CONTRACT OF SERVICE WITH OR APPRENTICESHIP TO THE PROPOSER
- (B) ANY PERSON WHILE HIRED OR SECONDED FROM ANY OTHER PARTY INTO THE SERVICE OF THE PROPOSER

WHOM THE PROPOSER HAS THE RIGHT AT ALL TIMES TO GOVERN, CONTROL AND DIRECT IN THE PERFORMANCE OF HIS WORK IN THE COURSE OF THE BUSINESS OF THE PROPOSER .

3.1. State the number of employees in each of the following departments :

Executive Management .....	Purchasing and Sales .....
Management ..... /	General Administration .....
Accounts Financial ..... /	Security Personnel .....
- With access to money securities .....	- Your Own .....
- Without access to money/securities .....	- Others .....
Computer .....	Research / Development .....
- Analysts programmers .....	Blue Collar Workers .....
- Operators .....	Technical (engineers etc) .....
- Support areas .....	Other (specify) .....
Stock and Warehousing .....	.....
	TOTAL NUMBER <u>2</u>

3.2. Has the number of employees changed materially over the last 12 months? YES / NO N/A  
If YES, why? .....

3.3. Is the number of employees likely to change materially in the next 12 months? YES / NO  
If YES, why? .....

3.4. Are any of your employees based outside the borders of Southern Africa? YES / NO  
If YES, give particulars and state where included under 3.1. above .....

3.5. Give details of your screening process for new employees N/A  
.....  
.....  
.....

3.6. Have any of your employees been dismissed during the last 12 months? YES / NO N/A  
If YES, give details for each dismissal.....

SECTION FOUR - ACCOUNTING SYSTEM

IF ANY OF THE FOLLOWING QUESTIONS IS ANSWERED WITH "NO". DESCRIBE YOUR SYSTEM IN EACH INSTANCE.

4.1. Do you deposit cash and cheques daily? YES / NO

*Operational funds direct wired into bank account.*

4.2. Are receipts written for all cash received? YES / NO *N/A*

4.3. Are all cheques received recorded by a person other than the person responsible for banking? YES / NO *N/A*

4.4. Is all cash checked by someone other than the person responsible? YES / NO *N/A*

4.5. Are monthly statements sent to customers by post? YES / NO *N/A*

4.6. Are statements of account despatched by persons other than employees handling cash / cheques? YES / NO *N/A*

4.7. Do all cheques require two signatures? YES / NO

4.8. Is each signatory required to examine supporting documents? YES / NO *N/A*

4.9. Are requisitions for cheques with printed signatures authorised by two signatories? YES / NO *N/A*

4.10. Are bank statements, receipts, counterfoils, and supporting documents checked at least monthly against the cash book entries, by persons other than employees making cash book entries or bank deposits? YES / NO

4.11. Do you enforce strict and timeous credit control? YES / NO *N/A*

4.12. Are bank statements reconciled on receipt? YES / NO

SECTION FIVE - REMUNERATION

5.1 Which department handles remuneration of employees? LOCAL ACCOUNTING FIRM ACTING AS PAYROLL AGENT

5.2 Describe the screening process applied to staff involved in the payment of remuneration.  
SEE 5.1

5.3 Describe the procedures employed in the payment of salaries and wages.  
SEE 5.1

5.4 How often and by whom is the payroll checked against a staff register? SEE 5.1

5.5 Describe the control procedure for the transfer of deductions for P.A.Y.E. Pension, Medical Aid, and other funds.  
SEE 5.1

SECTION SIX - STOCK & WAREHOUSING

6.1 Describe your stock (separately for raw materials and finished goods, if applicable) N/A

6.2 What is the average value of your total stock? N/A

6.3 What is the approximate highest unit value? Name the item. N/A

6.4 Describe your system of check applied to stock arriving on your premises. N/A

6.5 Describe the controls applied to the movements of stock within your premises. N/A

6.6. Describe your system of check applied to stock leaving your premises. *N/A*

6.7. Describe your system of inventory control. *N/A*

6.8. By whom and how often is a stocktake done? *N/A*

6.9. What action is taken upon discovery of discrepancies between inventory and stocktake? *N/A*

6.10. When was your last stocktake? *N/A*

6.11. Were there any discrepancies? YES / NO *N/A*

If YES, give details.

SECTION SEVEN - PURCHASES

7.1. Do you use a list of approved suppliers? YES / NO

7.2. Describe your system for purchasing goods. *THREE PRICE QUOTES. PRICE REASONABLENESS IDENTIFICATION PURCHASE ORDER*

7.3. Is there a strict separation of functions between purchasing / receiving, and paying / accounting? YES / NO *N/A*

7.4. Prior to payment do you reconcile the order, invoice and delivery note? *(YES)* / NO

7.5. How do you check that your buyers do not exceed their limits of authority? *PAYMENTS GREATER THAN \$US 2500 REQUIRE THEIR WRITTEN DELEGATION OF AUTHORITY FROM BASICS US HQ -- DEPUTY DIRECTOR FINANCE AND ADMINISTRATION.*

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SECTION EIGHT - SECURITY

8.1. Do you have a security department? YES NO

8.1.1. If YES, - describe functions and operating procedures

- is a Security Manual maintained? YES NO

- how do you control adherence to the manual?

8.1.2. If NO - who is responsible for security?

OFFICE LOCATED WITHIN SA/DOH;

- describe functions / procedures

BUILDING SECURITY CHECKPOINT

8.2. Describe perimeter protection of your premises

N/A

8.3. Describe access and departure controls for  
- your employees

SEE 8.1.2.

- other persons

- your own vehicles

- other vehicles

8.4. Do you have areas which are restricted to authorized employees only? YES NO

N/A

If YES, list the areas and describe how access is controlled

8.5. How do you control access to your premises outside of normal business hours?

SEE 8.1.2.

8.6. Describe your system of control for strongrooms, safes, vaults, or any other place you keep valuables

SEE 8.1.2. - AS WELL AS - LOCATED OFFICE W/ SAFE.

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SECTION NINE - AUDITS

INTERNAL AUDITS

- 9.1. Who authorises internal audits? N/A OPERATIONS OFFICER IN U.S.A.
- 9.2. Who carries out internal audits? OPERATIONS OFFICER
- 9.3. Is there an "audit and procedures" manual? YES /  NO
- 9.3.1. If YES, was it vetted by your external auditors? YES /  NO
- 9.4. Are "surprise audits" made? YES /  NO
- 9.5. Are all your operations, including the branches to be included in this insurance, audited on a regular basis? YES /  NO
- 9.5.1. If YES, which areas are typically covered? ACCOUNTS
- 9.6. Is the person responsible for the auditing forbidden to originate entries?  YES / NO
- 9.7. When was the last internal audit carried out? N/A
- 9.8. Specify any recommendations made as a result of the audit. N/A
- 9.9. Have these recommendations been implemented? YES / NO  
If no, give reasons. N/A

EXTERNAL AUDITS

- 9.10. Is your statutory annual audit carried out by an independent firm of Chartered Accountants or professional auditors? YES / NO - AT PROJECT TERMINATION 3/31/97
- 9.11. State their name TO BE DETERMINED
- 9.12. How long have your books been audited by this firm? N/A
- 9.13. Are all branch offices to be included in this cover audited individually? YES / NO N/A
- 9.14. Are any audits, other than the statutory audit, carried out? YES / NO N/A  
If YES, give details
- 9.15. When was the last audit carried out N/A  
- Statutory \_\_\_\_\_ - Others (specify) \_\_\_\_\_
- 9.16. Specify any recommendations made as a result of the audits N/A
- 9.17. Have these recommendations been implemented? YES / NO N/A  
If NO, give reasons.
- 9.18. PLEASE ATTACH A COPY OF THE LAST FINANCIAL REPORT.

SECTION TEN - COMPUTER SYSTEMS

This section is only to be completed if you process data electronically using

- a mainframe
- a networked micro / personal computer system
- a non-networked micro / personal computer system which includes managing supervision design creation or alteration of systems or programmes.

10.1. Give a brief description of your system. ....  
.....  
.....

10.2. Are all your branches to be included in this cover, linked to this system ? YES / NO  
If NO, describe their system .....  
.....  
.....

10.3. Is your electronic data processing operation audited regularly ? YES / NO  
If YES,  
- give details .....  
.....  
- date of last audit .....  
- specify any recommendations made and whether implemented. ....  
.....  
.....

10.4. Does your computer system  
- automatically effect payment transfers ? ..... YES / NO  
- produce presigned cheques ? ..... YES / NO  
- produce unsigned cheques ? ..... YES / NO  
- produce payrolls for manual payment procedures ? ..... YES / NO  
- prepare any payment schedules or cheque requisitions for manual payment procedures ? ..... YES / NO  
- control stock ? ..... YES / NO  
- calculate charges for goods or services ? ..... YES / NO  
- order goods ? ..... YES / NO

10.5. Does a Data Security Officer implement and administer data security ? ..... YES / NO

10.6. To whom does the Data Security Officer report ? .....

10.7. Is there a Data Security Manual ? ..... YES / NO

10.8. Do you record changes made to programmes ? ..... YES / NO

10.9. Do you record who made those changes ? ..... YES / NO

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- 10.10. How do you ensure that unauthorised amendments to programmes are prevented, or are discovered within a reasonable time?
- .....
- .....
- 10.11. Is there a segregation of duties whereby
- the functions and duties of system design and programming are separate from computer operations ? YES / NO
  - programmers do not operate the computer for regular processing runs ? YES / NO
  - computer operators are restricted from access to data and programme information not necessary for performing their assigned task ? YES / NO
  - the employees in data processing are separated from all duties related to the initiation of transactions and initiation of requests for changes to the master files ? YES / NO
- 10.12. Are the operators who are assigned to individual application runs rotated periodically ? YES / NO
- If YES, how often ? .....
- 10.13. When confidential computer output has to be re-run are the original reports destroyed under supervision? YES / NO
- 10.14. If cheques are prepared by your computer are the stocks of cheques under control of a person other than computer personnel ? YES / NO
- 10.15. Are Master Programmes and Files stored in duplicate under strict security control and separately from working programmes and files as a precaution against simultaneous destruction ? YES / NO
- 10.16. Is an analysis compiled and printed by the computer at the end of each shift or day, showing jobs processed and time spent on each ? YES / NO
- 10.17. How often is this analysis reviewed by the operations manager / supervisor? .....
- 10.18. Are levels of accessibility controlled by using passwords or similar security measures ? YES / NO
- 10.19. At what intervals are passwords changed ? .....
- 10.20. Do staff either initial, sign or otherwise identify data they prepare ? YES / NO
- 10.21. Is the use of terminals restricted to authorised personnel ? YES / NO
- 10.22. If on-line data is used are transactions recorded ? YES / NO
- 10.23. Are terminals restricted to the type of message that can be sent or received from it? YES / NO
- 10.24. Are special log-on passwords (different from an individual operator's password) used when logging in a terminal to provide verification of the terminal's identity ? YES / NO
- 10.25. Do you encrypt data ? YES / NO
- 10.26. Do you use a software system to monitor telecommunications ? YES / NO

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SECTION 11 - LOSS HISTORY

During the last five (5) years did you suffer any Fidelity Guarantee loss of money and/or other property belonging to you or for which you were responsible or did you suffer direct financial loss as a result of fraud by or dishonesty of an employee? YES / NO *N/A*

If YES, give information for each of the losses :

When Committed	When Discovered	Place	Type of Loss	Amount
----------------	-----------------	-------	--------------	--------

LOSS 1 .....

LOSS 2 .....

LOSS 3 .....

LOSS 4 .....

Give a brief description of how the crime was committed.

LOSS 1 .....

LOSS 2 .....

LOSS 3 .....

LOSS 4 .....

What action did you take against the perpetrator ?

LOSS 1 .....

LOSS 2 .....

LOSS 3 .....

LOSS 4 .....

What steps have been taken to prevent recurrence ?

LOSS 1 .....

LOSS 2 .....

LOSS 3 .....

LOSS 4 .....

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**SECTION 12 - INSURANCE REQUIREMENTS**

- 12.1 Limit of Liability, any one loss / year R 200 000 R .....
- 12.2 Additional Claims Preparation Costs, if required NA 5000 R .....
- 12.3 Do you require any of the following Extensions: NA
- Retroactive cover extension - no previous policy in force ..... YES/NO
  - Superseded policy extension ..... YES/NO
- If YES, state: Name of Insurer ..... Policy Number .....
- Sum Insured ..... Inception date .....
- Reduction / reinstatement of insured amount clause ..... YES/NO
  - Costs of recovery extension ..... YES/NO
  - Extension for losses discovered more than 24 months after being committed but not more than 36 months thereafter ..... YES/NO
  - Extension granted on receipt of a satisfactory systems audit in respect of losses discovered more than 24 months after being committed ..... YES/NO
- If YES, state name of accounting firm .....
- 12.4 Voluntary First Amount Payable ..... YES/NO  
 In addition to the compulsory amount payable, do you wish to carry an additional deductible?
- If YES, state the amount (must exceed compulsory amount): R .....
- 12.5 Period of insurance: From 22-2-96 To: 3/31/97

**DECLARATION**

We declare that the statements and particulars in this proposal are true and that we have not misstated or suppressed any material facts. We agree that this proposal together with any other information supplied by us, shall form the basis of any contract of insurance effected thereon, and shall be incorporated therein. We also declare that no other policy is in force, or will be effected during the currency of the policy now proposed other than a Money Policy or the policy declared under 2.1. of this proposal.

We undertake to inform the company of any material alteration to these facts, whether occurring before or after completion of the contract of insurance.

Signing this proposal form does not bind the proposer to complete this insurance, nor does it bind the company to accept the proposal.

SIGNATURE OF PROPOSER Carolyn Hamilton for Judy Young

DESIGNATION .....

DATE: 22-2-96

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RE: BONDING

## Fidelity Guarantee Premiums from January, 1995

- Premiums are valid for UNEXPOSED risks and must be increased for EXPOSED risks at the discretion of the UNDERWRITER.
  
- Premiums are INCLUSIVE of VAT.
  
- Premiums at the level of TEN employees are MINIMUM premiums for the policy.
  
- Premiums applicable to numbers of employees or limits of indemnity NOT shown in the tables are arrived at by extrapolation.
  
- Premiums are subject to:
  - a RISK EXCESS equal to TWO percent of the Limit of Indemnity for each and every loss occurrence, followed by a TEN percent CLAIMS CONTRIBUTION by the Insured.

Subject otherwise to the terms and conditions of the policy wording.

# Fidelity Guarantee Premiums from January, 1995

Premiums are valid for UNEXPOSED risks and must be increased for EXPOSED risks at the discretion of the UNDERWRITER

No. of Empls	Limit of Indemnity (R'000)									
	10	20	30	40	50	60	70	80	90	100
10	1020	1520	1930	2290	2610	2910	3190	3460	3710	3950
20	1360	2040	2590	3070	3500	3900	4280	4630	4970	5300
30	1610	2420	3070	3640	4160	4630	5080	5500	5900	6290
40	1820	2730	3470	4110	4690	5230	5730	6210	6670	7110
50	2000	3000	3810	4520	5160	5750	6300	6830	7330	7810
60	2160	3240	4120	4880	5570	6210	6810	7370	7920	8430
70	2300	3460	4390	5210	5940	6630	7270	7870	8450	9000
80	2440	3660	4650	5510	6290	7010	7690	8330	8940	9530
90	2560	3850	4880	5790	6610	7370	8080	8750	9400	10010
100	2680	4020	5110	6050	6910	7700	8450	9150	9820	10470
200	3590	5390	6850	8120	9270	10330	11330	12270	13170	14040
300	4260	6400	8120	9640	11000	12260	13450	14570	15640	16670
400	4810	7230	9180	10880	12430	13850	15190	16460	17670	18830
500	5280	7940	10090	11960	13660	15220	16690	18090	19420	20690
600	5710	8580	10900	12920	14750	16450	18030	19540	20970	22350
700	6090	9160	11630	13790	15750	17550	19250	20860	22390	23860
800	6450	9690	12310	14590	16660	18580	20370	22070	23690	25250
900	6770	10180	12940	15340	17510	19530	21410	23200	24900	26540
1000	7080	10650	13520	16040	18310	20420	22390	24260	26040	27750
1500	9410	12640	16060	19040	21740	24240	26580	28800	30920	32950
2000	9500	14280	18140	21510	24560	27380	30030	32530	34920	37220
2500	10440	15690	19940	23640	26990	30090	33000	35760	38380	40900
3000	11270	16950	21540	25540	29160	32510	35650	38630	41460	44190
3500	12030	18090	22990	27260	31130	34700	38060	41230	44260	47170
4000	12730	19150	24320	28850	32940	36720	40270	43630	46840	49910
4500	13380	20120	25570	30320	34620	38600	42330	45860	49230	52470
5000	13990	21040	26740	31700	36200	40360	44260	47960	51480	54860
5500	14570	21910	27840	33010	37690	42020	46090	49930	53600	57120
6000	15120	22730	28880	34250	39110	43600	47820	51810	55610	59270
6500	15640	23510	29880	35430	40460	45110	49460	53590	57530	61310
7000	16140	24260	30830	36560	41750	46540	51040	55300	59360	63260
7500	16610	24980	31740	37640	42990	47920	52560	56940	61130	65140
8000	17070	25680	32620	38690	44180	49250	54010	58520	62820	66950
8500	17520	26340	33470	39690	45330	50530	55420	60040	64450	68690
9000	17950	26990	34290	40670	46440	51770	56770	61510	66030	70370
9500	18360	27610	35090	41610	47510	52970	58090	62940	67560	72000
10000	18770	28220	35860	42520	48560	54130	59370	64320	69050	73580

11

(2 1/2%)

10%

# Fidelity Guarantee Premiums from January, 1995

Premiums are valid for UNEXPOSED risks and must be increased for EXPOSED risks at the discretion of the UNDERWRITER

RAND

ESTIMATED X-CHANGE RATE 3.5 R = \$1

Limit of Indemnity (R'000)

No. of Empls	100	200	250	400	500	750	1000	2000	2500	3000	
	<b>COST TABLE</b>										
10	3950	6040	6940	9360	10820	14160	17180	26910	30440	33280	
20	5300	8100	9300	12350	14510	18980	23040	36090	40830	44630	
30	6290	9610	11050	14900	17220	22540	27350	42850	48480	52990	
40	7110	10850	12480	16830	19460	25460	30890	48400	54760	59860	
50	7810	11930	13710	18490	21380	27980	33960	53200	60190	65790	
60	8430	12890	14810	19980	23100	30230	36680	57470	65020	71080	
70	9000	13760	15810	21320	24660	32270	39160	61350	69410	75870	
80	9530	14550	16730	22570	26090	34140	41430	64920	73450	80290	
90	10010	15300	17590	23720	27430	35890	43550	68240	77210	84390	
100	10470	16000	18390	24800	28680	37530	45540	71360	80730	88250	
200	14040	21450	24660	33260	38460	50330	61080	95710	108280	119360	
300	16670	25470	29290	39490	45670	59760	72520	112640	129570	140540	
400	19830	28770	33070	44610	51580	67510	81920	128370	145240	158760	
500	20690	31620	36350	49020	56700	74200	90040	141100	159630	174500	
600	22350	34160	39270	52970	61250	80150	97270	152420	172450	188510	
700	23860	36460	41920	56540	65380	85560	103840	162710	184090	201230	
800	25250	38590	44350	59830	69190	90540	109880	172180	194800	212940	
900	26540	40560	46620	62990	72730	95170	115500	180990	204770	223830	
1000	27750	42410	48750	65760	76040	99520	120780	189250	214120	234050	
1500	32950	50360	57890	78090	90290	118170	143410	224720	254240	277910	
2000	37220	56880	65390	88210	102000	133480	161990	253840	287200	313930	
2500	40900	62520	71970	96950	112110	146720	178050	279010	315670	345060	
3000	44190	67540	77640	104740	121110	158500	192350	301410	341020	372770	
3500	47170	72100	82880	111900	129280	169190	205330	321760	364030	397930	
4000	49910	76290	87700	119310	136810	179040	217280	340480	385220	421090	
4500	52470	80200	92190	124360	143810	188200	228400	357900	404930	442630	
5000	54860	83860	96400	129040	150370	196790	238830	374240	423420	462830	
5500	57120	87310	100370	133400	156570	204900	248670	389660	440860	481910	
6000	59270	90590	104130	140480	162440	212590	258000	404290	457420	500000	
6500	61310	93710	107730	145320	168030	219920	266900	418240	473190	517250	
7000	63260	96700	111160	149960	173410	226940	275410	431570	488290	533740	
7500	65140	99570	114460	154410	178550	233670	283580	444380	502770	549580	
8000	66950	102330	117630	158690	183500	240150	291440	456690	516700	564810	
8500	68690	104990	120690	162820	188270	246390	299030	468570	530150	579500	
9000	70370	107560	123630	166810	192890	252430	306350	480060	543140	593710	
9500	72000	110060	126510	170670	197360	258280	313450	491180	555730	607460	
10000	72580	112470	129290	174420	201690	263960	320340	501970	567930	620810	

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# Fidelity Guarantee Premiums from January, 1995

Premiums are valid for UNEXPOSED risks and must be increased for EXPOSED risks at the discretion of the UNDERWRITER

No. of Empls	Limit of Indemnity (R'000)		
	3000	4000	5000
10	33280	37430	40360
20	44630	50210	54130
30	52990	59610	64270
40	59860	67340	72600
50	65790	74020	79790
60	71080	79960	86200
70	75870	85350	92020
80	80290	90320	97370
90	84390	94940	102350
100	88250	99270	107020
200	118360	133150	143550
300	140540	158110	170450
400	158760	178600	192550
500	174500	196310	211640
600	188510	212070	228630
700	201230	226380	244060
800	212940	239560	258260
900	223830	251810	271480
1000	234050	263310	283870
1500	277910	312650	337070
2000	312930	353180	390760
2500	345060	388190	418510
3000	372770	419360	452120
3500	397930	447670	482630
4000	421090	473720	510720
4500	442630	497960	536850
5000	462830	520690	561120
5500	481910	542140	584480
6000	500000	562500	606430
6500	517250	581900	627350
7000	533740	600460	647360
7500	549580	618270	666560
8000	564810	635410	685030
8500	579500	651940	702860
9000	593710	667920	720080
9500	607460	683400	726770
10000	620810	698410	732960

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**APPENDIX J**

ATTACHMENT  
B

Price Waterhouse  
Chartered Accountants (SA)  
Geotkroieerde Rekenmeesters (SA)

Gobie Street  
Newlands 0081  
Pretoria  
PO Box 35296  
Menlo Park 0102  
Pretoria

Gobiestraat  
Newlands 0081  
Pretoria  
Posbus 35296  
Menlo Park 0102  
Pretoria

Telecopier: Teleteks (012) 542  
DX 154

# Price Waterhouse



27 February 1995

Partnership for Child Health Care Inc.  
Room 124  
Boulevard Protea Hotel  
Struben Street  
Pretoria  
0002

Dear Mr Hufen

## PARTNERSHIP FOR CHILD HEALTH CARE INC.

Following your request regarding accounting services and signing of cheques, we would like to propose the following fee structure:

1. Services for counter signing of all cheques upon presentation of supporting documentation - ± 50 \$ per month.

OR

2. Services for counter signing of all cheques together with writing up of books and preparation of monthly management accounts - ± 150 \$ per month.

Our fees are based on the amount of time spent in carrying out our work and our perception of the volume of transactions involved.

Please do not hesitate to contact us should you require more information.

Yours faithfully

PRICE WATERHOUSE

JFG/ss

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1) 2/27/96.

- Ms. Poole wanted to know how the medical benefit will be handled? How should it be paid out? She recommended that if BASICS wants some control over how the medical funds are paid out that the 2 staff get enrolled with Protea and Price Waterhouse cut a monthly check directly to the Insurance Company. Or we can pay them a lump sum or spread the lump sum over 14 months, etc. Please advise on how we should proceed?

Please send the employment letters out by c.o.b. today for the ladies to sign. Again, these letters are also required by our Price Waterhouse accountant - she asked for them in our meeting today.

2.) Price Waterhouse Proposal -- see **attachment B**

I received a proposal today from an accountant at Price Waterhouse. The first point on the proposal states that "Services for counter signing of all cheques upon presentation of supporting documentation -  $\pm$  \$ per month." In other words, an accountant from Price Waterhouse would come to our office on probably a bi-weekly basis and act as a counter signatory to Pam. The accountant who drafted this proposal stated to me that the price of the service may go up a bit if an accountant travels to our office more than what is initially agreed upon. For instance, if the accountant travels to our office weekly vs. bi-weekly. The cost goes up for the weekly visit since the accountant based his numbers on a bi-weekly visit.

The second proposal "Services for counter signing of all cheques together with writing up of books and preparation of monthly management accounts -  $\pm$  150 \$ per month." This means that besides Prudence putting together the one-write, we will also receive a financial report from Price Waterhouse, either monthly or quarterly, telling BASICS how the account is going. From my speaking to the accountant, in this arrangement the accountant would want to hand on to the check book.

We should be very clear in telling Price Waterhouse what we want. The accountant put this proposal together based on his perception of the volume of checks going to be written and the limited information we provided. Please advise me on how I should proceed with this proposal. The accountant would like to know how we are going to proceed by c.o.b. here, tomorrow.

2.) There are funds still available in the most recent budget for a secretary (hired through outside services). Marilyn and I concur that it would not only be a good idea to leave the secretary funds in the budget but also look into a temporary service (ex. Kelly Temps - they have similar services here) that could provide a secretary for our use when needed. Prudence is backed up with work and there are a number of activities that are coming on the calendar. It would be nice to know that there is a local secretary available that can come in when needed (PT basis) and do word processing, etc. so that Prudence can focus her attention on backstopping activities in-progress.

3.) Marilyn and I reviewed the budget (the one we received via fax from Washington - the most recent version) after she sat down with Alan Foose/USAID. Here are a few questions that arose <sup>might</sup> <sub>ite</sub> in Marilyn's meeting with Alan and then again in the meeting with me. These questions just need a brief clarification.

**APPENDIX K**



## A. GENERAL

### 1. WHO IS AN EMPLOYER OR REPRESENTATIVE EMPLOYER.

(a) Every company and any person (including any body corporate or unincorporate, etc.) who pays or becomes liable to pay, in cash or otherwise, any amount of income by means of salary, allowance, wage, overtime pay, bonus, gratuity, commission, fee, emolument, pension, superannuation allowance, retiring allowance, annuity, stipend, any amount paid or due upon and because of the termination of an employee's services by way of bonus, gratuity or compensation, any lump sum benefits from any pension, provident or retirement annuity fund (not established by Law, or for the benefit of employees of any local authority) any amount in commutation of amounts due under any contract of employment or service, or the value of any quarters, board or lodging or residence or any other benefit or advantage granted in respect of employment.

(b) The following payments are excluded from 1 (a) above—

- (i) amounts at a rate not exceeding R2 400 per annum paid or due in cash or otherwise to domestic or private servants or farm labourers; and
- (ii) payments for services rendered by a person who is resident in the Republic, in the course of any trade carried on by him independently of the person by whom such amount is paid or payable.

### 2. WHO IS RESPONSIBLE FOR FURNISHING THE REGISTRATION FORM (IRP 1)?

#### 2.1 Employer.

- (a) In the case of an employer who is the *sole proprietor*—the proprietor.
- (b) In the case of a *partnership*—the partners jointly.
- (c) In the case of an *insolvent estate, deceased estate, benefit, pension, provident, retirement annuity fund or any other fund*—the trustee, executor, administrator or person acting in any fiduciary capacity.

#### 2.2 Representative Employer.

- (a) In the case of a *company*—the public officer.
- (b) In the case of a *company in liquidation or placed under judicial management*—the liquidator or judicial manager.
- (c) In the case of a *body corporate or unincorporate* (including State and Provincial departments or administrations, local authorities, churches, schools, institutions, etc.)—the manager, secretary, officer or person responsible for paying remuneration on behalf of such body, department, council, board, etc.
- (d) In the case of a *person under legal disability*—any guardian, curator, administrator, or other person having the management or control of the affairs of the person under legal disability.
- (e) In the case of a *non-resident employer*—any agent of such employer in the Republic having authority to pay remuneration.

### 3. WHERE THE REGISTRATION FORM (IRP 1) MUST BE LODGED.

Every employer must lodge a declaration and should an election to register the branches separately be made [see A 4 (b) below], also those in respect of such branches, with the Receiver of Revenue in whose area the employer is situated.

### 4. BRANCHES OF AN EMPLOYER'S ACTIVITIES.

- (a) An employer or representative employer must register in respect of all his activities in connection with which employees are remunerated.
- (b) Where an employer has applied for separate registration of branches of the undertaking, each such branch shall be deemed at the option of the employer to be a separate employer. In such a case the "branch employer" will be responsible for the deduction of employees tax from remuneration, the payment thereof to the Receiver of Revenue, and for the rendition of any returns required from employers relating to employees of that branch and will legally be responsible for compliance with the provisions of the Income Tax Act as it affects employers.

## B. INFORMATION REQUIRED ON THE IRP 1 FORM

### 1. PART 1.

In Part 1 information with regard to the employer or information with regard to a branch, should such branch of an employer wish to register separately for employees tax purposes (see Note A 4) must be supplied.

### 2. PART 2.

Should a person act as a representative employer Part 2, must, in addition to Part 1, be completed.

In Part 2 personal particulars of the person who acts as a representative employer, as contemplated in paragraph A 2.2, must be filled in.

### 3. PART 3.

Part 3 must be filled in only if an employer has branches.

The above information is required to make cross references between branches.

Atts Mrs Poole.



*With the Compliments  
of the  
Compensation Commissioner*

☎ (012) 319-9111  
Fax 323-8627  
326-7889  
325-6686

☎ 955  
Pretoria 0001  
Marais Viljoen Building  
Cnr Soutpansberg Rd &  
Hamilton St.

for Enquiries  
re

Medical Accounts	Compensation	Assessments	Rating
∇	∇	∇	∇
☎ (012) 319-9202	☎ (012) 319-9269	☎ (012) 319-9203/60	☎ (012) 319-9361
319-9421	319-9319	319-9360	319-9373
319-9450	319-9406/12/37/38 319-9441		

Accounts

☎ (012) 319-9345/6/7/8

Direct: Name ..... ☎ (012) 319-9 .....

**GROTER PRETORIA METROPOLITAANSE RAAD**  
 Regsopvolger van die Pretoria-streeksdiensteraad  
**GREATER PRETORIA METROPOLITAN COUNCIL**  
 Successor-in-Law of the Pretoria Regional Services Council

P.O.Box/Posbus 20154 Alkantrant 0005 Tel : (012) 348-9802 Fax/Faks (012) 348-6657

**1. PARTICULARS OF ENTERPRISE/EMPLOYER / BESONDERHEDE VAN BESIGHEID/EIENAAR**

(a) TRADE NAME (Refer to note 1(a) on page 2) / HANDELSNAAM (Verwys na nota 1 (a) op bladsy 2)	<input type="text"/> <input type="text"/>						
(b) POSTAL ADDRESS FOR RETURNS / POSADRES VIR OPGAWES  POSTAL CODE / POSKODE	<input type="text"/> <input type="text"/> <input type="text"/>						
(c) (i) STREET ADDRESS ( Refer to note 1 (b) on page 2) / STRAATADRES (Verwys na nota 1 (b) op bladsy 2) (ii) DOMICILIUM CITANDI ET EXECUTANDI If different from c (i) Indien verskil van c (i)	<input type="text"/> <input type="text"/> <input type="text"/>						
TELEPHONE NUMBER / TELEFOONNOMMER	<input type="text"/>						
(d) MAGISTERIAL DISTRICT / LANDDROSDISTRIK	<input type="text"/>						
(e) NATURE OF ACTIVITIES CONDUCTED / AARD VAN BEDRYWIGHED WAT BEOEFEN WORD	<input type="text"/> <input type="text"/>						
(f) TYPE OF ENTERPRISE (Mark with X) / TIEP ONDERNEMING (Merx met X)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; text-align: center;"> <input type="checkbox"/> Sole Proprietor / Aileen eienaar                 </td> <td style="width: 33%; text-align: center;"> <input type="checkbox"/> Partnership / Venootskap                 </td> <td style="width: 33%; text-align: center;"> <input type="checkbox"/> Company / Maatskappy                 </td> </tr> <tr> <td style="text-align: center;"> <input type="checkbox"/> Public Sector / Publieke sektor                 </td> <td style="text-align: center;"> <input type="checkbox"/> Other, club, etc./ Ander, klub, ens                 </td> <td style="text-align: center;"> <input type="checkbox"/> CC / Bk                 </td> </tr> </table>	<input type="checkbox"/> Sole Proprietor / Aileen eienaar	<input type="checkbox"/> Partnership / Venootskap	<input type="checkbox"/> Company / Maatskappy	<input type="checkbox"/> Public Sector / Publieke sektor	<input type="checkbox"/> Other, club, etc./ Ander, klub, ens	<input type="checkbox"/> CC / Bk
<input type="checkbox"/> Sole Proprietor / Aileen eienaar	<input type="checkbox"/> Partnership / Venootskap	<input type="checkbox"/> Company / Maatskappy					
<input type="checkbox"/> Public Sector / Publieke sektor	<input type="checkbox"/> Other, club, etc./ Ander, klub, ens	<input type="checkbox"/> CC / Bk					

**2. PARTICULARS OF EMPLOYER/OWNER/PARTNERSHIP/COMPANY/INSTITUTION/CLUB/ETC.  
 BESONDERHEDE VAN WERKGEWER/EIENAAR/VENNOOTSKAP/MAATSKAPPY/INSTELLING/KLUB/ENS.**

(a) NAME (Refer to note 2 on page 2) / NAAM (Verwys na nota 2 op bladsy 2)	<input type="text"/> <input type="text"/>									
(b) COMPANY NUMBER / CC NUMBER/MAATSKAPPYNOMMER / Bk NOMMER	<input type="text"/>									
(c) (i) EMPLOYER'S P.A.Y.E. REFERENCE NO / WERKGEWER SE LBS VERWYSINGSNR	<input type="text"/>									
(ii) VAT NO. OF ENTERPRISE (Not applicable if 2(b)(i) was stated. / BTW VERWYSINGSNR (Nie van toepassing indien 2(b)(i) vermeld is)	<input type="text"/>									
(iii) INCOME TAX REFERENCE OF PERSON/ENTERPRISE / INKOMSTEBELASTINGVERWYSINGSNR VAN MENTIONED IN 2(a) (Not applicable if 2(c)(i) or (ii) was stated)	PERSON/ONDERNEMING IN 2(a) GENOEM (Nie van toepassing indien 2(c)(i) of (ii) vermeld is) <input type="text"/>									
(iv) IF YOU ARE NOT REGISTERED FOR ANY OF THE ABOVE FURNISH REASONS / INDIEN U NIE VIR ENIGE VAN BOGEMELDE GEFEGISTREER IS N.E. MELD FEDES	<input type="text"/> <input type="text"/>									
(v) DATE ON WHICH BUSINESS WAS COMMENCED OR ACQUIRED / DATUM WAAROP BESIGHEID AANVANG GENEEM HET OF VERKRY IS	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; text-align: center;"> <input type="text"/> </td> <td style="width: 33%; text-align: center;"> <input type="text"/> </td> <td style="width: 33%; text-align: center;"> <input type="text"/> </td> </tr> <tr> <td style="text-align: center;">Day</td> <td style="text-align: center;">Month</td> <td style="text-align: center;">Year</td> </tr> <tr> <td style="text-align: center;">Dag</td> <td style="text-align: center;">Maand</td> <td style="text-align: center;">J</td> </tr> </table>	<input type="text"/>	<input type="text"/>	<input type="text"/>	Day	Month	Year	Dag	Maand	J
<input type="text"/>	<input type="text"/>	<input type="text"/>								
Day	Month	Year								
Dag	Maand	J								
(d) IF EXISTING BUSINESS HAS BEEN ACQUIRED STATE INDIEN BESTAANDE BESIGHEID AANGEKOOP/OORGENEEM IS MELD:	<input type="text"/>									
(i) PREVIOUS TRADE NAME/ VORIGE HANDELSNAAM	<input type="text"/>									
(ii) PREVIOUS REFERENCE NUMBER / VORIGE VERWYSINGSNOMMER	<input type="text"/>									

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**Streeksdiensteraad  
Regional Services Council  
PRETORIA**



**DECLARATION FOR REGISTRATION: REGIONAL SERVICES COUNCIL LEVIES  
(REGIONAL SERVICES COUNCIL'S ACT, NO 109 OF 1985)**

**GENERAL INFORMATION AND NOTES ON COMPLETING OF FORM RSC 1**

**GENERAL INFORMATION**

**A. DECLARATION FOR REGISTRATION MUST BE FURNISHED BY:**

- (a) Every person (including an institution or company, etc.) who on or after 1 July 1987 carries on an enterprise within the region of the above mentioned Regional Services Council. An enterprise means any trade, business, profession or any other activity of a continuing nature, whether or not carried on for the purposes of deriving a profit. An enterprise will therefore include, for example - government departments, companies, corporations and institutions without profit motives, etc.
- (b) Every employer who on or after 1 July 1987 employs a person (except any bona fide private or domestic servant) within the region.
- (c) Notes:
  - (i) Religious and charitable institutions of a public character exempted from income tax in terms of section 10(1)(f) of the Income Tax Act need not complete this form. Religious or charitable institutions not so exempted and which claim entitlement to exemption from the regional services council levies should submit, together with this form (duly completed) a motivated application for exemption together with a copy of their deed of formation, constitution or other founding document.
  - (ii) Educational institutions of a public character exempted from income tax in terms of section 10(1)(f) of the Income Tax Act need not complete this form for the purpose of registration in respect of the regional establishment levy. Any other educational institutions not so exempted and which claim entitlement to exemption from the regional establishment levy should submit, together with this form (duly completed), a motivated application for exemption together with a copy of their deed of formation, constitution or other founding document. All educational institutions are nevertheless required to complete this form for the purpose of paying the regional services levy.

**B. PERSON RESPONSIBLE FOR COMPLETING DECLARATION RSC 1**

In the case of -

- (a) a sole proprietor - the proprietor;
- (b) a partnership - a partner;
- (c) a company - a director;
- (d) a close corporation - a member;
- (e) a company in liquidation or under judicial management - any liquidator or judicial manager;
- (f) a body corporate, whether constituted by any statute of the Republic of South Africa or not (including State Departments, provincial administrations, local authorities, schools, institutions, etc) - any manager, officer or any other responsible person in such organisation;
- (g) a person under legal disability - the guardian, curator, administrator, or any other person vested with the right of management or control of the person under legal disability.
- (h) an insolvent/deceased estate, a trust, a benefit/pension/provident/retirement annuity fund or any other fund - a trustee, executor, administrator or any person acting on its behalf in a fiduciary capacity.

**C. BRANCHES AND TRADE NAMES**

Where an enterprise or person carries on various businesses under different trade names in the same Regional Services Council region, each business will constitute a separate enterprise and must be registered separately.

An enterprise which carries on business in more than one branch under the same trade name within the Regional Services Council region, may lodge a single Declaration for Registration covering the registration of that enterprise and any branch thereof.

Where the head office of an enterprise is situated outside the Regional Services Council region in which its branches trade, the head office may register on behalf of its branches at the Regional Services Council in which region such branches are located.

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## D. REGISTRATION

Notification of registration with instructions regarding the payment of the levies will be issued in due course.

## E. ADDRESS OF REGIONAL SERVICES COUNCIL

The address of the Regional Services Council to which this declaration must be submitted is:

**Street address:**  
Building No.2, Atterbury Park  
c/o Atterbury Road and Menlyn Drive  
Menlyn Extension 4  
0181

**Postal address:**  
PO Box 20154  
Alkantrant  
0005

## F. ENQUIRIES

Enquiries of a general nature which do not require written confirmation may be made telephonically to:  
Telephone number: (012) 348-9802.

## NOTES REGARDING INFORMATION REQUIRED ON FORM RSC 1

### NOTE 1

(Trade name)

- (a) Insert name under which the enterprise/employer is known eg. "XYZ Supermarket" or "XYZ Club" or "Highscore Rugby Union" or "B Town Municipality" or "X Bank Troy Street Branch". If an enterprise or person carries on various business under other trade names within the Regional Services Council region, each business must be registered separately.
- (b) Where one declaration for registration is completed in respect of several branches, the street address of each branch must be furnished. (If necessary use a separate sheet.)

### NOTE 2

(Particulars of employer/owner/partnership/company/institution/ club/etc.)

In the case of -

- (a) a sole proprietor, the full names and surname of the proprietor.
- (b) a partnership, the name under which the partnership operates.
- (c) an estate or trust, the name of the estate or trust.
- (d) a company, close corporation, institution, etc the registered name

### NOTE 3

The Regional Services Levy is based on gross remuneration

Gross remuneration is remuneration (including the value of fringe benefits) as defined in the Income Tax Act for PAYE purposes paid by employers to employees within the region. This includes remuneration paid to travelling employees (e.g. travellers or truck drivers operating from a base within the region) but excludes remuneration to bona fide private or domestic servants. For purposes of this levy remuneration to farm labourers is included. It also includes drawings from a business/partnership by a sole proprietor/partner and any amount paid to a director of a company

### NOTE 4

The Regional Establishment Levy is based on gross turnover from sales or services rendered:

- (a) In relation to an enterprise, other than a financial enterprise the gross amount accrued or received from selling or letting of goods or fixed property, or the rendering of a service within a region. Services include industrial, commercial, professional and construction services; or
- (b) In relation to a financial enterprise, the gross amounts received or accrued by way of interest, financial charges, dividends, rent, commission and fees; also the gross profit derived from dealing in financial assets

exclusive of VAT charged.



**GROTER PRETORIA METROPOLITAANSE RAAD**  
 Regsopvolger van die Pretoria-streeksdiensteraad  
**GREATER PRETORIA METROPOLITAN COUNCIL**  
 Successor-in-Law of the Pretoria Regional Services Council

RSC 5

**REGIONAL SERVICES LEVY  
 AND  
 REGIONAL ESTABLISHMENT LEVY  
 GUIDE FOR LEVY PAYERS**

**PREFACE**

This brochure is an introduction to the levies imposed by the Greater Pretoria Metropolitan Council (Successor-in-Law of the Pretoria Regional Services Council) referred to herein as the Council.

It is based on the enabling legislation consisting of the Regional Services Councils Act, No. 109 of 1985, the Regional Services Councils Amendment Act, No. 78 of 1986 (both referred to herein as the Act) and Government Notice No. R. 340 (referred to herein as the financial provisions) published in terms of section 12(1)(b) of the Act in Government Gazette No. 10613 dated 17 February 1987. Abovementioned acts and provisions are valid according to Proclamation 38 of 1994 as published in the extraordinary Provincial Gazette 5084 dated 8 December 1994. The brochure is not, however, intended to be a complete summary of that legislation.

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## 1. What is the Council?

The Greater Pretoria Metropolitan Council is a statutory body on which local authorities, management bodies and representative bodies in the region are represented. The mission of the Council is to enhance the quality of life of residents by co-ordinating and providing regional services and creating infrastructure on local government level, by means of joint decision-making by the participating bodies with regard to the cost-efficient application of levy funds to ensure a better life for the inhabitants of the region.

## 2. Address

Payments may be made or notices served at the following address:

Building No.2 Atterbury Park  
c/o Atterbury road / Menlyn drive  
Menlyn - Extension 4  
0181.

Telephone Number (012) 348-9802  
Fax Number (012) 348-6657, 348-3244

or may be mailed to the following address:

P.O. Box 20154  
Alkantrant  
0005.

## 3. What levies are imposed by the council?

The levies comprise the regional services levy and the regional establishment levy (referred to in this document as the services levy and the establishment levy, respectively).

The services levy is a levy calculated on the remuneration, as defined in the Income Tax Act (Act 58 of 1962) for P.A.Y.E purposes, paid to persons employed or deemed employed, within the region and on the drawings of any sole proprietor or partner from his enterprise carried on or deemed to be carried on, within the region.

The establishment levy is a levy calculated on turnover (excluding VAT) derived by any person carrying on or deemed to be carrying on an enterprise within the region. (See paragraphs 9 and 10 for the circumstances in which a person is deemed to be carrying on an enterprise within the region or an employee is deemed to be employed within the region.)

## 4. Exemptions from the levies

### (a) The services levy:

- (i) Religious and charitable institutions of a public character which qualify for exemption from the establishment levy are also exempt from the services levy. (Note: Educational institutions, however are not exempt from the services levy)
- (ii) Non-profit making organisations engaged in nature conservation or animal protection services which qualify for exemption from the establishment levy are also exempt from the services levy.
- (iii) Salaries or wages paid to private or domestic servants

### (b) The establishment levy

- (i) Religious, charitable and educational institutions of a public character are excluded from the definition of an enterprise in the Act, as far as their religious, charitable and educational activities are concerned. It is accepted in practice that any activity undertaken for the purpose of raising funds to further their objectives is covered by this exclusion and all income so derived is therefore exempt. Bodies such as companies, the shares of which are held by such institutions, are not themselves institutions of the type contemplated here and are accordingly not exempt.
- (ii) Non-profit making organisations engaged in nature conservation or animal protection activities are exempt on all income received

It is accepted that any of the institutions or organisations mentioned in (i) or (ii) above which are exempt from income tax in terms of section 10(1)(cB) or (f) of the Income Tax Act, will be exempt from the establishment levy. Religious and charitable institutions which so qualify for the exemption need not apply for registration as levy payers. However, educational institutions must apply for registration, as they are liable for the services levy on remuneration paid.

- (iii) The following are also exempt, to the extent indicated.

- (aa) Amateur sporting clubs or non-profit making institutions established to represent persons with common interests, on subscriptions, donations or contributions received. (Note: This exemption does not apply to any other activities carried on by such clubs or institutions, such as bar and restaurant facilities, as well as gate takings.)
- (bb) Control boards, on income received from the sale of products which they were established to control, to the extent that they do not derive a profit. Should a profit be derived, only the profit is subject to the establishment levy.
- (cc) State divisions formed solely or mainly to serve the state, on income received from rendering services to any other State division.
- (dd) State divisions or utility housing companies letting or selling housing or residential stands on a non-profit basis, on income received from such activity.
- (ee) Any employers letting accommodation to their employees on a non-profit basis, on income received from such letting. (Note: Meals provided as an integral part of such accommodation and for which no separate charge is made are also exempt.)
- (ff) Amounts received within six months after the commencement date of the levies on contracts concluded prior to the commencement date.
- (gg) Levy payers whose liability does not exceed R50 per year, may apply in writing to the Council for conditional exemption from levies.

**5. Who must register for levies?**

A person must register if he is deemed to;

- (a) employ any person (other than a domestic or private servant), or
- (b) be engaged in carrying on an enterprise, within the region and in consequence thereof becomes liable for the services levy or establishment levy. Where a person carries on different enterprises within the region, for example retailing, investing of funds, canteen or restaurant facilities to employees, with or without a profit motive, only one registration is necessary in respect of all such different enterprises. Each enterprise need therefore not be separately registered.

**6. When must a person register and when does liability for the levies commence?**

Liability for the levies commenced on 1 August 1987.

Any person who commences to carry on an enterprise within the region or who commences to employ any person within the region after the registration date must register with the Council within 30 days after having commenced carrying on the enterprise or having employed an employee, as the case may be. Persons who commence such activities after the date on which the levies come into effect become liable as from the date on which those activities commence.

**7. What is an enterprise?**

An enterprise is any continuing trade, business, profession or similar activity, whether or not carried on for the purpose of deriving a profit.

The activity must be undertaken on a continuing basis. For example, a few isolated speculative property transactions entered into by someone who is not a property dealer, will not constitute an enterprise, even though undertaken specifically for the purpose of deriving a profit.

On the other hand, any continuous activity which is in the nature of a trade, business, profession or similar activity will constitute an enterprise even if it is not carried on for the purpose of deriving a profit. An example of a continuous type of enterprise would be certain operations in the nature of a trade or business which are undertaken by the State or local authorities, such as the railway and postal services and the supply of electricity and water. Further examples of enterprises frequently conducted otherwise than for profit are bar and restaurant facilities provided by clubs for their members and staff canteen services provided by employers for their employees.

It is common practice for, example, a chain of retail shops to form a separate company to acquire premises, shopfittings, trading stock etc., which are then let out or sold to the trading companies. Such inter-group rentals and sales also constitute enterprises, even though they may be effected in such a way as to provide no profit to the lessor or seller.

The financial provisions provide for certain types of enterprise to be classified as financial enterprises. These are all forms of financial intermediary and also any company which carries on business as an investor of money. In the latter case, the investment of money must constitute a continuing business operation in its own right - a

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**Less:** deductions as per paragraph 19 below

R \_\_\_xxx

Rxxx xxx

**Less:** VAT included in total consideration stated above (refer paragraph 23 below)

R \_\_\_xxx

**Leviable amount:** for the relevant period

Rxxx xxx

**17. What is consideration for the purposes of the establishment levy?**

Consideration is the amount received by or accrued to an enterprise from its leviable transactions.

**18. What are the leviable transactions of an enterprise?**

The following constitute leviable transactions:

(a) In the case of an enterprise other than a financial enterprise:

- the selling of goods or fixed property
- the letting of goods or fixed property
- the rendering of any special service.

(b) In the case of a financial enterprise:

- the granting of any loan, advance or credit (Gross amounts i.r.o. interest or financial charges receivable.)
- the investment of funds (Gross amounts i.r.o. interest or dividends receivable.)
- the letting of goods or fixed property (Gross amount i.r.o. rental receivable.)
- the rendering of financial services (Gross amounts receivable i.r.o. commission, fees, charges and other amounts payable.)
- dealing in financial assets (Gross profit made.)

**19. Deductions in the determination of the leviable amount**

In determining the leviable amount, the following deductions may be made from consideration received or accrued:

- (a) Any amounts which, as a result of the cancellation or termination of any leviable transaction or the granting of any discount, have become refundable by the levy payer or are no longer due to him by his customer, if those amounts were previously included in his leviable amount.
- (b) The amount of any debt previously included in the levy payer's leviable amount, which has become irrecoverable and has been written off by him
- (c) In the case of a person carrying on a financial enterprise any loss suffered by him from trading in financial assets.
- (d) In the case of any enterprise, if the total deductions allowable in any month exceed the consideration received or accrued during that month, the resulting negative amount may be carried forward and be deducted in the following month

**20. Cash receipts and accruals**

Under the normal rule, a levy payer is required to include in his leviable amount all consideration which has actually been received by him or which has accrued to him. He may, however, elect to determine his leviable amount on the basis of cash receipts only. Such an election must be made to the Council in writing and, once the election has been made, it will be binding on the levy payer in future unless the Council permits him to revert to the accrual basis.

**21. May the levies be recovered by a separate charge?**

The Act prohibits any person carrying on an enterprise or any employer from recovering the cost of the levies as a separate charge from his client, customer, patient etc. or from his employee, as the case may be.

**22. Are the levies deductible for income tax purposes?**

The levies as determined will, in terms of the Act, be allowed as a deduction for income tax purposes. Interest

his base of operation is situated.

**11. At what rates are the levies to be determined?**

The Council will, with the concurrence of the Minister of Finance, determine the rates at which the services levy and establishment levy are to be determined within the region. These rates will be published by the Minister in the Government Gazette. For the period 1 August 1987 to 30 September 1989 the rates are 0,25 per cent for the services levy and 0,1 per cent for the establishment levy. Rates from 1 October 1989 are 0,32 per cent for the services levy and 0,135 per cent for the establishment levy.

As from December 1987 farmers receive a discount of 25 per cent on the above-mentioned rates.

Value Added Tax (VAT) is payable on the levies and is shown separately in the self-assessment form (RSC 4). In most cases VAT paid on levies may be claimed back by the levy payer from the Receiver of Revenue as input tax.

**12. How is the services levy determined?**

The services levy is determined at the applicable rate on:

- (a) the total remuneration paid by an employer to the employees employed or deemed to be employed, by him within the region; and
- (b) the total amount of drawings made by any sole proprietor or partner from an enterprise carried on or deemed to be carried on, by him within the region.

**13. What is remuneration?**

The services levy is payable on remuneration as defined for P.A.Y.E. purposes in the Fourth Schedule to the Income Tax Act, but including certain amounts paid to directors of companies, which are not subject to P.A.Y.E. For the purposes of the levy, therefore remuneration means all amounts including lump sums, voluntary awards and the value of fringe benefits which are paid for services rendered.

Note, however, that the levy is payable on remuneration "paid or payable by an employer to the employees employed... by him within the region", i.e. the remuneration must be payable under a current master/servant relationship. The definition of remuneration includes pensions and other annuities and lump sum benefits from various funds, which are not payable under such a relationship. Such amounts will thus not be subject to the levy.

**14. What are drawings?**

Drawings are the total of all amounts withdrawn by the sole proprietor or partner whether directly or indirectly, in cash or otherwise, from an enterprise. Amounts withdrawn include, for example, the following items:

- (a) Cash taken for private use
- (b) Trading stock taken for private use
- (c) Any amount withdrawn by way of loan or advance against anticipated profits of the enterprise.
- (d) The cost to the enterprise of any asset or service used for private or domestic purposes.

An exemption is provided in respect of any drawings which exceed the accumulated profits of an enterprise, i.e. amounts which can be shown to be withdrawals of capital introduced into the enterprise by the proprietor or partner. However, relief under this provision may be claimed only after the close of the enterprise's financial year, and all drawings during the year are subject to the levy even if there are insufficient profits at the time of drawing.

**15. How is the establishment levy determined?**

The establishment levy is determined at the applicable rate on the leviable amount derived by a levy payer during a month, or any longer period if such a longer period is sanctioned by the Council.

**16. What is the leviable amount?**

The leviable amount is determined as follows:

Total consideration: for the relevant period from all leviable transactions	Rxxx xxx
Plus: deductions as per paragraph 19 below previously made and now recovered or recouped	R xxx
	Rxxx xxx

paid on outstanding levies does not form part of the levies payable and will therefore not qualify as a deduction for income tax purposes.

**23. How is VAT excluded from consideration?**

Where the consideration payable in respect of a leviable transaction includes VAT, the VAT element may be excluded by applying the formula:

$$L = C - \left( \frac{r}{100+r} \times C \right)$$

where "L" represents the leviable amount to be determined (exclusive of VAT),

"C" represents consideration (inclusive of VAT), and

"r" represents the rate, expressed as a percentage, at which such VAT was calculated.

Any other taxes or duties, such as ad valorem taxes, excise duties etc., payable in respect of a transaction may not be excluded, and the full consideration inclusive of such taxes or duties must be included in the leviable amount.

**24. Payment of the levies**

The levies are payable on declaration within twenty days after the last day of each month (or any further period the Council may allow) during which the levies have become payable. Payment may be made in cash or by cheque at the address given in paragraph 2 above. The payment must be accompanied by a duly completed Declaration for Payment (form RSC 4), which sets out all the necessary payment instructions and which will be issued to all registered levy payers.

Where a levy payer, with the Council's written consent, is required to effect payment for periods exceeding one month, payment in respect of such period must be made in the manner prescribed above within twenty days after the end of the period (or any further period the Council may allow) during which the levies have become payable.

The Act makes provision that levies can only in certain circumstances be paid in any manner other than monthly.

The following guide-lines apply in this regard:

- Levy payers should apply in writing and obtain the approval of the Council;
- Farmers may apply to pay annually;
- all levy payers may apply to pay assessments on a bi-monthly basis; and
- should levy payers wish to pay their assessments in any other manner than bi-monthly, their monthly liability with regard to both the levies may not exceed R100-00

**25. What action will be taken should a levy payer fail to submit his own return?**

The Council is empowered to estimate the amount upon which the levies are payable and issue an assessment. Levy payers who question the estimated assessment, are legally entitled to complain or appeal against it. Complaints in this regard must be sent in writing to this Council office within 30 days after notice of the estimated assessment (RSC 6).

**26. Interest on late payments**

Where any levy payer fails to remit any amount of levy due within the time permitted, as stated in paragraph 24 above, interest will be charged on the unpaid levy calculated from the due date until the date of payment. The rate at which the interest will be calculated will be fixed by the Minister of Finance in the Government Gazette, and is determined on a daily basis

**27. Refunds**

Where a levy payer proves to the satisfaction of the Council that he has overpaid any levies due or interest thereon, such excess will be refunded if the levy payer submits his request in writing, and within two years after having made such overpayment

**28. Liability of the State**

The Act binds the State and all statutory bodies. Accordingly, the central government and provincial and local authorities are subject to the services levy in respect of their employees and, except where a specific exemption applies, to the establishment levy in respect of the various enterprises which they carry on.

**29. Enquiries**

All enquiries of whatever nature should be directed to the Greater Pretoria Metropolitan Council at the addresses given in paragraph 2 above.

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**PART 3. PARTICULARS OF OPERATIONS**

- 3.1 Specify the nature of the operations .....
- 3.2 Specify the nature of the goods/services, manufactured/rendered/sold: .....
- 3.3 Specify the following if applicable:
- 3.3.1 Materials used in the manufacturing of the goods .....
- 3.3.2 Nature and extent of construction/erection undertaken .....
- 3.4 In the case of farming operations, specify the nature thereof:
- |                   |  |         |  |                                       |  |
|-------------------|--|---------|--|---------------------------------------|--|
| Livestock farming |  | Tillage |  | Mixed farming (livestock and tillage) |  |
|-------------------|--|---------|--|---------------------------------------|--|
- 3.5 Have you any tractors and/or power-driven saws? ..... Number .....
- 3.6 Maximum demand of power of machinery used on site ..... KW
- 3.7 Machinery used for distribution of electricity: demand over a 30 min period ..... KVA

**PART 4. PARTICULARS OF EMPLOYEES**

- 4.1 Number of employees presently employed .....
- 4.2 Estimate particulars of your employees as from the date furnished in item 1.7 (as indicated on p.1 of this form) to the end of the forthcoming February:
- 4.2.1 Average number of employees expected to be employed during the abovementioned period .....
- 4.2.2 Estimated total earnings up to a maximum of R80028 per person per annum:
- |  |                  |
|--|------------------|
|  | <b>RAND ONLY</b> |
| 4.2.2.1 Total cash earnings of employees .....   |                  |
| 4.2.2.2 Total cash value of food and lodging provided free by employer .....               |                  |
| 4.2.2.3 Cash value of other in-kind benefits .....   |                  |
| 4.2.2.4 Earnings (see 4.2.2) of working Directors/members who receive a fixed salary ..... |                  |
- 4.3 Total estimated earnings .....

**PART 5. ADDITIONAL INFORMATION IN RESPECT OF HEAD OFFICE AND/OR FILIALS/BRANCHES**

- 5.1 Furnish the trading name and postal address of the Head Office and/or filials/branches and if already registered, the registration number allocated by the Unemployment Insurance Commissioner (UIC) and/or the Compensation Commissioner (CC)
- .....
- .....
- .....

<b>DECLARATION BY EMPLOYER OR AUTHORISED PERSON</b>		For office use only
I certify that the above particulars are correct.		
..... NAME	..... DESIGNATION	Computed
..... SIGNATURE	..... DATE	
Contact Person .....	Tel No ( ) .....	

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## THE COMPENSATION FUND AND ITS BENEFITS

### WHO MUST REGISTER? (EMPLOYER)

All persons who employ one or more persons in connection with their business or farming activities, are required to register and to pay annual assessments to the Compensation Fund. These amounts may not be recovered from employees. A separate registration is necessary for each separate branch of a business unless an arrangement for a combined registration has been made.

### WHO IS AN EMPLOYEE?

Any employee who has entered into a contract of service with an employer and includes temporary staff.

### THE REVENUE OF THE COMPENSATION FUND:

The revenue of the Compensation Fund consists mainly of annual assessments paid by the registered employers on a basis of a percentage or fixed rate of the annual earnings of their employees.

The Act, however makes provision for a minimum assessment to ensure that the assessment is not less than the administration costs.

At the end of January each year, statement of earnings forms are sent to all the registered employers. These forms must be completed and returned not later than 31 March.

The financial year of the Compensation Fund runs from 1 March to the end of February of the next year.

The Compensation Fund is also protected by provisions which permit the imposition of penalties on employers who fail to pay assessments, or tender wage returns, at a rate of 10% of the assessment.

### WHAT IS REGARDED AS WAGES/EARNINGS?

For the purpose of assessment, earnings mean any payments made to an employee which arise out of his employment and include

- i) salaries/wages;
- ii) commission;
- iii) cost of living allowance;
- iv) the value of food and quarters supplied free of charge;
- v) incentive bonuses; bonuses of a regular nature to which a workman is, in terms of his service contract, entitled by thirteenth cheque; and
- vi) overtime of a regular nature.

### RATES AND METHODS OF RATING:

The assessment rate, at which an employer is assessed, depends on the nature of an employer's business operations. For rating purposes employers are therefore divided into different classes and subclasses according to the nature of their activities.

The assessment rates are fixed on the principle that each industry should carry the costs of its own accidents and are reviewed annually. Any adjustment is therefore in accordance with the accident experience.

Employers are notified annually of the rate applicable to their business/farming operations.

### BENEFITS FOR YOU AS AN EMPLOYER:

The Act makes provision for the payment of compensation to your employees sustaining an injury on duty.

The employer is protected against all civil claims which may be instituted against him in the event of an injury on duty, even in the event of alleged negligence.

An employee who is injured on duty is entitled to the payment of compensation in respect of temporary total disablement, permanent disablement (according to the degree of disablement) and death.

Reasonable medical aid expenses arising out of an injury on duty are payable for a period of two years, or longer if further medical treatment will reduce the extent of the disablement.

For further information regarding the reporting of claims I refer you to the WCI 6 pamphlet.

### PAYMENT OF MERIT REBATES:

To adjust the position of employers who pay substantial amounts in assessments, which are out of proportion to their accident costs, the system of awarding merit rebates every three years was introduced. The rebate percentage is determined by the ratio between an employer's claim costs and the amount of his assessments.

An employer's rate may also be increased or reduced depending on whether his accident cost experience is favourable or unfavourable.

For further information please contact this office at telephone number 012-3199111.



## FAX TRANSMISSION

To: Mr. A. Papageorge, Adams & Adams  
Fax: 320-8550  
From: Carolyn Hairston, Partnership for Child Health Care, Inc.\BASICS Project  
c/o Boulevard Hotel, Fax: 326-1366

This is a followup to our meeting and telephone discussions regarding review of employment offer letters for the Partnership for Child Health Care, Inc.\BASICS Project local staff to ensure that the letters meet the minimum legal compensation requirements for hirees of organizations that receive United States Agency for International Development funding.

Attached are draft letters for Pamela Mamogobo, Primary Health Care Training Coordinator, and for Preudencia Nxumalo, Administrative Assistant. As discussed, please review the letters with particular attention to:

1. Adequacy of the states terms of hire
2. Stated payments to be provided
3. Provision of medical insurance (see our letter to you dated January 30, 1996)

If any terms should be restated, please make specific edits directly on the copies provided. Additionally, please provide written guidelines as to a) provision of pension benefits under South Africa employment law, and b) delineation of the tax base and all applicable employment taxes to be paid by an employer on behalf of hirees based on the stated salary and any applicable allowances

As requested by you, also attached are copies of job descriptions and the advert for each positon. If you require additional information, please let me know.

Because of the urgency to finalize terms of employment, we respectfully request a response by close of business Tuesday February 20. We also request your written opinion as to determination of whether it is necessary that the Partnership for Child Health Care, Inc. be registered to conduct business in South Africa.

We confirm herewith your estimated cost for provision of the stated services is approximately R3000-3500 based on the rate quotation provided in your letter to us dated November 9, 1995

Because of the urgency to finalize employment for our local staff, we request your written reply by close of business Tuesday February 20. If you are unable to respond by this date for any reason, please advise by close of business today at 312-0747 (office) or 326-1366 (c/o Boulevard Hotel)

qb

**TEL: 497-2485/2581**

**FAX: 497-2456**

BASICS( USA based donor organisation) and the Department of Health (Pretoria) announce the following two contract positions available for a 15 month period, 18 December 1995 to 30 March 1997:

## \* 1. Primary Health Care (PHC) Training Coordinator

Responsible for overall management of a PHC Training for Trainers (TOT) project for multidisciplinary health professionals in the areas of PHC clinical skills and management. Specific duties: coordinate the implementation of PHC skills and management TOT workplan activities; oversee project planning and implementation among donor agencies, provincial counterparts and project team; monitor project workplan outputs and progress toward achievement of objectives; provide guidance on the implementation and evaluation of project technical components; supervise local staff and use of financial resources; ensure adequate communication with and reporting to the Department of Health,

donor agencies, and provinces; network with PHC training and service organisations.

**Qualifications:** Bachelors degree or equivalent in a Health, Administration or related field. A post-graduate qualification would strengthen the application. Proficiency in English with excellent report writing skills; competency in one or more of majority population South African languages; computer skills; valid drivers licence.

**Experience:** Management, curriculum development and training of health professionals. Experience in PHC training or service delivery an advantage.

**Salary:** Negotiable depending on qualifications and experience

## 2. Administrative Assistant / Bookkeeper

Responsible for financial and office management, communication and logistical support for a USA donor-sponsored Primary Health Care Training Project. Will work under the direction of the Training Coordinator. Specific duties: financial management and accounting; payroll; disbursements within allowable costs; project accounting records; financial reports according to donor guidelines; bank / project reconciliation; office management; clerical and logistical support for project activities.

**Qualifications:** Completion of Secondary School (Matric) and at least one year of college

or technical study in bookkeeping / accounting. Computer skills essential and a bookkeeping or accounting academic qualification would be an asset. Proficiency in English with excellent report writing skills, competency in one or more of majority population South African languages.

**Experience:** At least two years in bookkeeping / accounting. Office management and administrative experience will be a recommendation.

**Salary:** Negotiable depending on qualifications and experience

Both positions are expected to be filled immediately. Project administration is currently based in Pretoria, but candidates must be available to travel and spend time in the Eastern Cape and other provinces as necessary to achieve project objectives. Interested candidates from all provinces who meet the requirements, should submit a letter of application, a curriculum vitae (resume) including three traceable references to Dr Marilyn Edmondson, Department of Health, Private Bag X828, Office 2633, Pretoria, 0001 or fax to (012) 328 6102

Closing date for both positions: 1 December 1995

## **JOB DESCRIPTION**

### **TITLE: ADMINISTRATIVE ASSISTANT/BOOKKEEPER**

#### **Duties and Responsibilities:**

The Administrative Assistant/Bookkeeper will report directly to the Bridging PHC Training Coordinator and will have the following duties: Financial Management; Administration; Communication; and Logistics. Specifically, the Administrative Assistant/Bookkeeper will be responsible for:

#### Financial Management:

1. Keep up-to-date accounting books used for entering project transactions.
2. Manage petty cash.
3. Prepare payroll and other statements related to payroll deductions and taxes.
4. Collect vouchers, bills and other supporting documents and keep accounting files up-to-date.
5. Verify the legitimacy and appropriateness of all invoices before payment.
6. Reconcile the accounting records with the bank statements of the project at the end of each month.
7. Prepare and submit monthly financial reports to headquarters in accordance with the Contracting Agency's guidelines
8. Assume overall responsibility for all financial matters related to the local office and the implementation of project workplan activities.

#### Administration:

1. Ensure that the proper action is taken concerning correspondence with USAID/South Africa and BASICS headquarters in a timely manner.
2. Maintain chronological file of incoming and outgoing telex, fax, cable and other communication.
3. Maintain organized files of project documents, reports, books, periodicals and other reference materials
4. Perform clerical duties - word processing, photocopying, etc. to support the Bridging PHC Training Coordinator's position and the implementation of project activities.
5. Handle other aspects of office management as required.

Title: Administrative Assistant/Bookkeeper .

2.

Logistics:

1. Plan and manage local procurement of office supplies, equipment and materials as approved in the project budget and with the concurrence of the Bridging PHC Training Coordinator and BASICS headquarters as appropriate.
2. File the necessary forms with the appropriate authorities to receive tax-exemption for equipment and other eligible items and maintain records related to tax-exempt status.
3. Manage equipment maintenance contracts, lease agreements, warranties and other service contracts.
4. Maintain and monitor the office inventory.
6. Handle travel, accommodation and other arrangements for Project consultants and participants.
7. With the approval of BASICS headquarters and the Bridging PHC Training Coordinator, travel to program sites to handle required logistical support and financial matters of reimbursement, and other expenses related to project training activities.

OTHER DUTIES:

Perform other duties as assigned by BASICS headquarters and the Bridging PHC Training Coordinator.

QUALIFICATIONS:

**Education:** Completion of Secondary School (Matric) and at least one year of college or technical study in bookkeeping/accounting. Computer skills essential and a bookkeeping/accounting academic qualification would be an asset.

**Prior Work Experience:** At least two years experience in bookkeeping/accounting. Experience in office management and administrative experience is recommended.

**Skills and Abilities:** Excellent English verbal and written/report writing skills; ability to relate effectively to US-based donor agency and comply with grant/contract provisions; competency in one or more of the majority population South African languages.

**Other:** Must travel as required and possess a valid drivers license.

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**PROPOSED SCOPE OF WORK FOR BASICS/PRIME/CDC-DDM PROJECT  
PRIMARY HEALTH CARE CLINICAL AND MANAGEMENT TRAINING OF TRAINERS  
ACTIVITIES**

**PRIMARY HEALTH CARE TRAINING COORDINATOR**

**PURPOSE: PROVIDE THE REQUIRED ON-SITE AND ON-GOING MANAGEMENT AND TECHNICAL SUPPORT FOR ENSURING TIMELY IMPLEMENTATION OF THE PHC TOT CLINICAL AND MANAGEMENT WORKPLAN ACTIVITIES FOR THE PERIOD DECEMBER 15, 1995 - MARCH 30, 1997.**

1. Provide project management and logistical support for project activities as outlined in the Project workplans for PHC TOT Clinical Skills and Management Training.
2. Provide guidance to technical consultants and counterparts in the implementation of PHC technical components of the project.
3. Coordinate/oversee implementation of in-country PHC Clinical and Management TOT activities including briefings/debriefings of project staff and consultants.
4. Coordinate planning and implementation activities between the Department of Health, Provincial counterparts and Project Team and share pertinent technical information/issues.
5. Establish methods of communication with USAID, DOH, and the cooperating agencies.
  - (a) Communicate regularly and effectively with the cooperating agencies and the DOH regarding progress and constraints of activities.
  - (b) Provide written progress reports to USAID, the cooperating agencies and the DOH in accordance with written guidelines.
6. Monitor project workplan and identify factors/issues affecting progress in the achievement of objectives.
7. Monitor and supervise local project staff, cooperating organizations, project local budget resources and expenditures and provide monthly field financial reports to BASICS headquarters and expenditure reports to INTRAH/PRIME and CDC-DDM.
8. Travel to the Eastern Cape and other participating provinces as dictated by the project implementation and evaluation plans.

**QUALIFICATIONS:**

- Bachelors Degree or equivalent in a Health, Administration or related field. A post-graduate qualification is preferred.
- Experience in Primary Health Care and Management Training.
- Experience in project management recommended.

**SKILLS:** Proficiency in English with excellent report writing skills; competency in one or more of majority South African languages; computer literacy; valid driver's license.

**APPENDIX L**

Legal

**Basics Project**

1600 Wilson Blvd., Suite 300  
Arlington, VA 22209  
(703) 312-6800  
Fax: (703) 312-6900

Criteria

1. Local presence - Pretoria / National ID / Phone calls
2. No travel costs
3. A+ or well established in Pretoria
4. Local firm

January 30, 1996

2/3/96 Intg. Lawyer - paralegal  
 - approx. 850 - 975 (\*)  
 plus some direct expenses

Mr. A. Papageorge  
 Adams & Adams  
 Shorburg 429 Church Street  
 Pretoria, South Africa

Dear Mr. Papageorge:

We have reviewed the information on your firm provided to us by Dr. Marilyn Edmondson and would like to request that you provide us with legal assistance to carry out the following scope of work:

1. Review an employee contract for the Partnership for Child Health with locally hired staff in South Africa to ensure that it meets all the minimum legal compensation requirements for employees of organizations that receive United States Agency of International Development funding.
2. Determine whether the Partnership for Child Health must provide medical insurance directly to the employee or whether the employee may purchase her own insurance with additional funds from the Partnership for Child Health. (We anticipate hiring only 2 employees at this time so would not have a sufficient number for a group plan.)
3. Determine whether the Partnership for Child Health needs to be registered in South Africa. If the answer to this question is yes, outline the steps that we will need to take to register.

Please provide us with a written estimate of the cost and length of time to complete this scope of work. Dr. Edmondson should be able to answer any questions that you may have, or you can ask her to contact us, should the need arise.

Thank you for your assistance with this matter.

Sincerely yours,



Dr. Carolyn Kruger, Operations Officer

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fall within our area of expertise and are dealt with on a regular basis by our Partners and Professional Staff in our General Law Department. As the intellectual property division of the firm is the largest in Africa we have had the opportunity of and have been dealing with many US and international based companies wishing to do business in South Africa and our General Law Department has been advising such entities on how to establish business entities in South Africa in a tax efficient manner including complex issues involving Labour Law. Whilst you are probably not aware our new Labour Legislation which becomes effective early 1996 has been acclaimed by International Labour Experts as "the most ambitious and comprehensive system of Labour Legislation in the World!" We have resident Partners who practice Labour Law and are competent to advise on the new Legislation.

## 2. FEE STRUCTURE

It is not necessary for the firm to be retained on a monthly basis and we gladly undertake work on a "task by task basis". It is our policy for all work to be properly supervised and to be controlled by a Partner who is then usually assisted by Professional Assistants and Candidate Attorneys. For work undertaken e.g in our Labour Law and Commercial Law Department the hourly charge out rate per partner would be in the vicinity of R400,00 to R500,00 plus VAT; a Professional Assistant R350,00 and a Candidate Attorney R250,00 per hour plus VAT. Obviously these fees are reviewed on an annual basis.

We trust that the above brief description and introduction to the firm will be of assistance to you with your principals in the United States.

We look forward to hearing from you in due course and assisting you further. Please revert to writer should you have any queries or in the event of you requiring further or additional information.

Yours faithfully  
ADAMS & ADAMS

A BAPAGEORGE



- 1.3 Such provisions can, in certain circumstances, be avoided by styling the relationship between the parties as that of independent contractor rather than employer/employee.

However, with the legislative provisions having clearly been enacted to afford maximum protection to employees, the courts are reluctant to allow employers to skirt the provisions of labour legislation by resorting to independent contractor agreements. In determining the true nature of the relationship between the parties, therefore, the phraseology in which the agreement is couched is not decisive and the court will have regard to a wide range of factors to determine the dominant impression of the relationship.

- 1.4 Although there are certain factors which could characterise BASIC's South African staff as independent contractors - such as the fixed period of the contract and their relative freedom in exercising their duties - on balance the relationship is far more akin to that of employer/employee:

1.4.1 BASICS/US maintains control and supervision over the staff and has the power to direct the employee;

1.4.2 The staff will work not so much in an independent capacity but as individuals who perform services for BASIC/US as part of BASIC/US's business or enterprise in South Africa;

1.4.3 Staff are required to perform their duties personally and may not nominate other persons to do their work;

1.4.4 Payment is made on the basis of time worked, not work completed;

1.4.5 BASIC/US provides the equipment necessary for performance of duties;

1.4.6 Provision for medical insurance, leave, travelling allowance reflects an employment type contract.

Thus, although an independent contractor agreement would give to BASICS/US far greater latitude in respect of dismissals and/or retrenchment, it is quite probable that if a dispute comes before court this relationship will be found in fact to be one of employment and the relevant statutory provisions will apply.

- 1.5 Our further concern in this regard relates to the payment of tax. An employer is responsible for the payment of his employee's tax which is deducted from his gross salary. An independent contractor however is responsible for the payment of his/her own tax gross income paid to him/her as remuneration in terms of the contract. If therefore a court finds that the contract is one of employment and not an independent contract agreement and the situation arises that the employee contractor has defaulted on payment of his tax, the employer

(BASICS) may be liable for the payment of arrear tax over and above the gross salary already paid out. This is another risk attaching to the attempt to create an independent contractor agreement.

- 1.6 In view of the above the relationship envisaged between BASICS/US and its South African staff is likely to be regarded as a contract of employment. We would therefore advise that the "employment form" is adopted from the outset as the means of regulating this relationship, subject to certain reservations.
- 1.7 We would further advise that a specific form of employment contract - the fixed term contract - is employed.
  - 1.7.1 Such a contract specifically delineates the period of employment.
  - 1.7.2 It therefore allows evasion of the laws of unfair dismissal to the extent that the contract terminates automatically in accordance with the intention of the parties: Termination is therefore not at the initiative of the employer and as such there is no dismissal.
  - 1.7.3 The agreement between BASIC/US and the South African staff as laid out in the letter of appointment reflects in nature a fixed term contract.
  - 1.7.4 We have enclosed herewith a further fixed term contract for your perusal which incorporates the provisions of the letter of appointment and other annexures but which regulates more comprehensively the relationship between the parties. We would advise that this serve as the basis of your agreement with your employees in South Africa.
  - 1.7.5 It is important to note that the fixed term contract should not be renewed since an increase in the duration of the employment relationship through repeated use of such a contract may develop an expectation on the part of the employee of the continuity of the relationship. Such an expectation will cause the court to regard termination of employment as a dismissal with its concomitant difficulties.

#### Letter of appointment

Aside from the concerns reflected in paragraph 1 above, the stated terms of hire and stated payments in the proposed letter of appointment and attachments are, in our view, very fair.

3. **Provision of medical insurance**

We confirm that there is no obligation on an employer to provide medical insurance for his employees. An employee is responsible for purchasing her own insurance and the additional funds provided by BASICS/US in the letter of appointment are adequate.

4. **Provision of pension benefits**

Similarly, an employer is not obliged to provide pension benefits and the onus falls on the individual to make his own pension arrangements. It is our view that in regard to the contract under consideration, particularly considering the short term nature thereof, there is no need for BASICS/US to provide for pension benefits. You may therefore wish to delete the reference to pension benefits in attachment 1.

5. **Other benefits**

The provision made in the contract for leave and severance pay is completely in accordance with the minimum South African legal compensation requirements and there are no further benefits that need to be included.

6. **Tax**

There are two different systems of tax applicable to employees in South Africa. Up to an amount of R50 000, the employee is liable to pay SITE (Standard Income Tax on Employees).

For the balance of her salary over R50 000, the employee is liable for PAYE (Pay as You Earn).

The rate of taxation in respect of both systems is 45 % for a total salary of over R80 000.

The tax payable annually by Pamela Mamogobo (excluding travelling allowance) is as follows.

SITE	R10 475,00
PAYE	<u>R36 908,80</u>
TOTAL	<u>R47 383,80</u>

Tax payable annually by Prudencia Nxumalo (excluding travelling allowance) is as follows.

SITE	R10 475,00
PAYE	<u>R18 265,54</u>
TOTAL	<u>R28 740,54</u>

Where a lump sum travelling allowance is granted the employee will be entitled to a deduction of 35 % of the allowance. The only other applicable allowance may be entertainment should you choose to grant such allowance.

Where a contract of employment is entered into:

- i) The employee is responsible to register himself as such with the Receiver of Revenue.
- ii) The employer must register as an employer with the Receiver of Revenue.
- iii) The employer is then responsible to deduct the employee's tax from his salary and to pay it to the Receiver of Revenue.

In response to your query raised in your fax dated 19 February 1996, such a payment procedure would be perfectly valid under South African Law, although BASICS/US would remain responsible for payment of employee's income taxes.

7. **Registration of Partnership for Child Health Care Inc**

In terms of Section 322 of the Companies Act, an external (foreign) company is required to register in South Africa once it establishes a place of business here. Partnership for Child Health Care Inc is therefore obliged to lodge certain documents with the Registrar of Companies within 21 days of establishment its place of business in South Africa.

The documents required are the following:

- a) Certified copy of the memorandum (Constitution) of the company;
- b) Notice in prescribed form of the registered office and postal address of the company in South Africa;
- c) Consent of and the name and address of the auditor of the company in South Africa;
- d) Notice of the financial year of the company;
- e) A list in the prescribed form containing particulars in respect of each director and in respect of the local manager and his secretary and the name and address of the auditor of the company in the Republic;
- f) A notice of the name and address of the person authorised by the company to accept service on behalf of the company.

Upon receipt of these documents and payment of the prescribed fee, the registrar will register such company as an external company in the Republic, thereby giving recognition to it as a body corporate in South Africa

It will be clear from the above that BASICS/US will be required to have an auditor at all times in the Republic and must appoint one or more persons resident in the Republic who will be authorised to accept on the company's behalf service of process and any notices required to be served on the company.

Furthermore BASICS/US will be required to keep such accounting records as are necessary fairly to present the state of affairs and business of the company in the Republic and to explain the transactions concerning its trade and business and its financial position in the Republic. The company will also be obliged to lodge annual financial statements and interim reports in accordance with the Companies Act.

We trust that the above meets with your approval. Should you have any further queries, please do not hesitate to contact writer hereof.

Yours faithfully  
ADAMS & ADAMS

A PARAGEORGE



# FIXED TERM EMPLOYMENT CONTRACT

Entered into by and between:

(hereinafter referred to as the "Employer")

and

(hereinafter referred to as the "Employee")

1. This agreement incorporates by reference the terms of the letter of appointment annexed hereto (Annexure A). If there is any ambiguity or conflict between the terms of the letter of appointment and this contract, the letter of appointment shall prevail.

## 2. POSITION AND PERIOD OF EMPLOYMENT

- 2.1 Subject to the terms and conditions set out herein, the Employer hereby offers and the Employee accepts employment in the capacity as a \_\_\_\_\_ on a fixed term basis for the period commencing \_\_\_\_\_ and terminating on \_\_\_\_\_ (fixed term period of employment).
- 2.2 This agreement is concluded on the express understanding that the employment relationship is entered into for the specific period described above only and that the employment relationship shall cease at the termination of the said period. Such termination shall not constitute a retrenchment or dismissal.

## 3. ALTERATION TO PERIOD OF EMPLOYMENT

- 3.1 Any alteration to the stipulated period of employment described in paragraph 1 shall be reduced in writing and agreed by both parties hereto, failing which such alteration shall be of no force and effect.

3.2 Change of occupation or change in rate of remuneration during the continuance of this agreement shall in no way alter the force and effect of any of the remaining terms and conditions hereof.

4. **NOTICE**

The Employee shall be entitled to receive one (1) months notice that her contractual period of employment is due to expire. It is the intention of the parties that the employment relationship shall summarily cease on the last date mentioned in paragraph 1 the employee will receive such retrenchment and/or severance benefits as set out in the letter of appointment (Annexure A).

5. **TERMINATION OF EMPLOYMENT BEFORE THE EXPIRY DATE**

5.1 Any party may terminate this agreement before the expiry of the fixed term period of employment for any cause recognised by law as being sufficient.

5.2 The Employer or the Employee shall give 30 days written notice if ~~this should~~ they wish to terminate the employment relationship prior to the expiry of this contract.

5.3 Should the need arise for the Employer to terminate the Employee's services by way of retrenchment or redundancy prior to the expiry date of this contract, the Employee will not be entitled to payment for the remaining period of this contract but may, subject to agreement between the parties, be entitled to a severance package.

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6. DUTIES AND FUNCTIONS

- 6.1 The Employee shall devote the whole of her time and attention during the Employer's normal working hours and such additional time as the expediency of the Employer's business may require, to the business affairs of the Employer.
- 6.2 The scope of the Employee's duties is as set out in Annexure B. These may vary according to the exigencies of the Employer's business and the Employee will be required to adapt and comply with simple changes in this regard.

7. REMUNERATION

- 7.1 The Employee will receive a gross monthly salary as agreed upon in the letter of appointment (Annexure A), which shall be payable in arrears on the \_\_\_\_ day of each month (hereafter referred to as the pay day). Where the pay day falls on a weekend or public holiday, the Employee's salary will be paid on the last working day preceding such pay day.
- 7.2 When the Employee works overtime at the insistence of the Employer, payments for such overtime will be made in terms of the provisions of the Basic Conditions of Employment Act, or any wage determination which may be applicable from time to time.
- 7.3 The salary as described in paragraph 7.1, including payment of overtime as set out in paragraph 7.2, shall be the entire remuneration payable to the Employee and no other entitlements shall be due to the Employee except such entitlements as are due to such Employee in terms of the provisions of the Basic Conditions of Employment Act or any wage determination which may be applicable from time to time.

8. **HOURS OF WORK**

8.1 The Employee's normal hours of work will be from . . . to . . . to . . .

8.2 The Employee will be entitled to a lunch break from . . . to . . . Mondays to Fridays.

9. **ANNUAL LEAVE**

9.1 The Employee will be entitled to 17 (Seventeen) days paid annual leave per year, accrued at a rate of 1.42 days per month.

9.2 Leave as contemplated in paragraph 9 above shall be taken at a time convenient to the Employer.

10. **HOLIDAYS**

10.1 The employee will be entitled to those holidays stipulated in Annexure C.

11. **SICK LEAVE**

11.1 During the fixed term period of employment the Employee will be entitled to sick leave on full pay at a rate of 1 (One) working day in respect of each completed period of 5 (Five) weeks of employment. The Employer shall not be bound to pay the Employee an amount in respect of any absence from work for a period covering more than 2 (Two) consecutive days, unless the Employee produces a certificate signed by a medical practitioner stating the nature and duration of the Employee's incapacity.

12. **HEALTH**

12.1 This contract is concluded conditionally upon the presence and continued

health and fitness of the employee to perform the duties required by the position.

The Employer may at any time require the Employee to undergo a medical examination at the Employer's expense by a medical doctor appointed by the Employer to ascertain whether the Employee is medically fit and healthy to perform her duties.

The Employee specifically consents to the Employer uplifting and perusing all medical reports which may be issued pursuant to the examination referred to in paragraph 10.2 above.

**DISCIPLINARY CODE AND GRIEVANCE PROCEDURE**

13.1 The Employee agrees that she will acquaint herself and obey the regulations, disciplinary code and grievance procedure of the Employer, which documents form an integral part of this agreement.

SIGNED AT PRETORIA ON THIS THE \_\_\_\_\_ DAY OF \_\_\_\_\_ 19\_\_\_\_

As Witnesses:

1. \_\_\_\_\_

2. \_\_\_\_\_

\_\_\_\_\_  
For and on behalf of the EMPLOYER

SIGNED AT PRETORIA ON THIS THE \_\_\_\_\_ DAY OF \_\_\_\_\_ 19\_\_\_\_

As Witnesses

1. \_\_\_\_\_

2. \_\_\_\_\_

\_\_\_\_\_  
EMPLOYEE