

**uMGUNGUNDLOVU DISTRICT MUNICIPAL EMPLOYMENT INITIATIVE****UMGUNGUNDLOVU DISTRICT MUNICIPALITY  
SMALL MICRO MEDIUM ENTERPRICES (SMME) SUPPORT****uMGUNGUNDLOVU MUNICIPAL EMPLOYMENT  
INITIATIVE****GUIDELINES AND APPLICATION FORM**



## 1. BACKGROUND

The uMgungundlovu District Municipality is implementing SMME support programme. The purpose of the SMME support is to support informal and micro enterprises to stimulate local economic development and to create employment opportunities. The scope include street traders within the region of uMgungundlovu District.

## 2. FOCUS AREAS

The uMgungundlovu Municipal Employment Initiative (UEI) seeks to assist the following types of informal and micro businesses:

- Businesses that require funding for working capital (stock, equipment and furniture).
- The support could address business recovery.
- Replacement of movable assets and business infrastructure.
- Businesses in the township and in rural areas will be prioritized.

It is important to note that the support is strictly for regulated businesses with valid licenses and/or permits or CIPC Registration documentation. Only one application per business will be permitted. This will require the submission of documents as listed below, failure to do so will lead to your application not being considered.

## 3. FUNDING TIERS

Informal and Micro businesses will be assisted with implements categorized in two tiers as follows:

FUNDING TIER	FUNDING RANGE
Tier 1 (Informal unregistered businesses with trading license or permit – including street traders and vendors)	A. R5000 – R10 000 B. R10 000 – R20 000 C. R20 000 – R30 000 D. R30 000 – R40 000 E. R40 000 – R50 000
Tier 2 (Micro Businesses with turnover less than R1 mill pa)	A. R50 000 – R60 000 B. R60 000 – R70 000 C. R70 000 – R80 000 D. R80 000 – R90 000 E. R90 000 – R100 000

The available UEI funding is limited and therefore applications and quotations provided must be within a category for both tiers.

## 4. ELIGIBILITY CRITERIA FOR TIER 1

- Informal businesses (including street traders and vendors) can apply if they have a trading license and/or permit from the Municipality.
- Business must preferably be in a township or rural area.
- Empower vulnerable groups (pdi, women, youth and disabled)

## 5. ELIGIBILITY CRITERIA FOR TIER 2

- Must be a registered legal business entity in South Africa (for formal micro businesses)
- Must be 100% owned by South African citizens.
- Must have been in operation for more than 18 months.
- Must be registered and compliant with the South African Revenue Service (for formal micro businesses).
- Only businesses within the uMgungundlovu district Municipality jurisdictions will be considered.
- Only registered micro businesses with an annual turnover less than R mil pa may apply.

## 6. DOCUMENTS TO BE SUBMITTED BY APPLICANTS

- Completed and signed UEI application form.
- Certified copies of applicant and/or business owner ID documents Proof of business and residential addresses.
- CIPC business registration certificates and Valid Tax Clearance Certificate (Pin).
- Latest three months business bank account statements.
- Business Plan indicating how the support will enhance the business Portfolio of evidence of operation i.e. (photos).
- Signed copy of lease agreement or proof of ownership for business premises.
- **Municipal business license and/or permits (informal businesses/Tier 1).**

## 7. EVALUATION CRITERIA

- Administrative Compliance (all the required documents submitted) History and experience of business.
- Functionally of business,
- Viability of business proposal,
- Motivation and impact of support for the business,
- Value for money for support to be provided,
- Locality of businesses (preference for township and rural areas),
- Targeted beneficiaries (vulnerable groups - PDI's, women, youth, disabled).

## 8. EXCLUSIONS

- Labour brokers
- Manufacturing and selling of ammunition
- Illicit tobacco, Liquor, Gambling, and sex trade Non-profit organization
- Political organization
- Un-rehabilitated insolvent shareholders and/or directors of applying entities
- Speculative property development
- Covering bad debts
- Operational cost of the business/ working capital

## **9. APPLICATION AND CONSIDERATION PROCESS FLOW**

- Complete applications are received and screened for eligibility and compliance (Administrative compliance). Applicants that don't submit all the required documentation will be eliminated,
- Technical Evaluation (60% compliance threshold),
- Applications are forwarded to Project Management & Evaluation Committee (PMEC) members to conduct due diligence on applications,
- Verification Team to conduct the due diligence on applications screened for compliance. Screened application from Verification Team are forwarded to the Evaluation Team,
- Applications are assessed by the Evaluation Panel against the evaluation criteria Funding panel recommendation forwarded to HOD EDP for approval,
- Within six (6) weeks from the date of approval, successful applicants shall be notified of the outcome,
- Successful UEI applicants will not receive any direct financial support from the uMgungundlovu Municipality. The required equipment and goods will be procured delivered and handed over to the UEI beneficiary by the uMgungundlovu Municipality on certain basic agreed conditions.
- The Municipality will monitor all the UEI beneficiaries for a period of 18 months to determine the impact of the support provided and determine if any additional non-financial support is required.

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 <p><b>uMGUNGUNDLOVU</b> UMASIPALA WESIFUNDA DISTRICT MUNICIPALITY DISTRIK MUNISIPALITEIT</p>	<p align="right"><b>uMgungundlovu District Municipality</b> <b>Economic Development &amp; Planning</b> Telephone/uCingo: (033) 897 6700 Facsimile/ifikisi: (033) 342 5502 P.O. Box/lbhokisi 3235 Pietermaritzburg. 3200</p>
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**APPLICATION FORM PLEASE NOTE:**

- Read the funding guidelines information before completing the application form.
- All the questions in the application form must be answered in detail – do not only refer to attachments
- The application must be signed
- Submit all the supporting documents as listed on the checklist and / or guidelines.
- Incomplete applications will not be eligible for technical consideration.
- Applications submitted after the closing date will not be considered.

**SECTION A: DETAILS OF APPLICANT**

First name(s)	
Surname	
ID Number	
Cell phone number	
Email address	
Physical Address	
Ward No	
Township/ Village	

**SECTION B: BUSINESS INFORMATION**

Business Name	
Type of business entity (CC, Cooperative, PTY)	
Business Registration No (CIPC)	
Business Address	
Local Municipality	
Ward No	
Township/ Village	
Sector (Manufacturing, Agriculture, Services, Retail)	
Years in Operation	

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Is the business currently operational? If no, indicate why	
Has the business benefited from government support in the past (provide details)	
Was the business destroyed/damaged by floods/unrest (Specify if applicable)	
Date when the business was vandalized & SAPS case number	

**SECTION C: BUSINESS DESCRIPTION****1. Business Description / Profile (What does the business do?)**





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2. Business Operations (How does the business operate and function?)

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**3. Business Management (Indicate how the business is managed)**

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4. Business Challenges and Risk (indicate challenges and risks that hamper the business)

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Provide a problem statement and motivate why the business requires support and what the impact of the support provided will be



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**SECTION G: NON-FINANCIAL SUPPORT REQUIRED**

List and indicate any non-financial support required by the business (if training is required, please clearly indicate the type of training)

**SECTION H: EMPLOYMENT (CURRENT & NEW)**

Current jobs (Employees currently employed)

No	Position	Job Description	Full / Part Time
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
Total number of <u>current</u> full time employees			
Total number of <u>current</u> temporary employees			

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New jobs (employment opportunities) to be created if the business is supported

No	Position / Status	Job Description	Full / Part Time
1.			
2.			
3.			
4			
5.			
6.			
7.			
8.			
9.			
10.			
Total number of <u>new full time</u> jobs to be created			
Total number of <u>new temporary</u> jobs to be created			

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**SECTION I: CHECKLIST OF DOCUMENTS TO BE SUBMITTED**

Please check that each of the following components is complete before submitting your application. Please explain the reasons if you are unable to provide any of the information listed below. Please note that failure to provide the necessary information or provide an adequate explanation may result in your application not being considered for funding.

Documents to be submitted with the application	YES	NO	If No, please state the reason (s)
1. Completed and signed application form for support			
2. Certified copies of applicant and/or business owner ID documents			
3. Proof of business and residential addresses			
4. CIPC business registration certificates (for formal micro businesses)			
5. Business licenses and/or permits (for informal businesses) (added advantage)			
6. Valid Tax Clearance Certificate (Pin) (for formal micro businesses (added advantage)			
7. Three months business bank account (for formal micro businesses)			
8. Business Plan indicting how the support will enhance the business			
9. Portfolio of evidence of operation i.e. (photos),			
10. Signed copy of lease agreement or proof of ownership (business premises)			
11. Two quotations for all the goods, equipment and services required that are not more than 30 days old			



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### SECTION J: DECLARATION AND CONSENT

I/we, the undersigned declare that the information provided in this application form is to the best of my/our knowledge true and complete.

I/We also understand that any wilful misrepresentation of the information in this application form will disqualify my application and may lead to legal action against me/us including the laying of criminal charges against me/us as sureties as well as against the entity I/we represent for furnishing false statement or information to uMgungundlovu District Municipality.

I/We hereby grant the Municipality consent to perform an entity/personal search and check on my/our records with any other party (e.g., credit bureau and/or a government agency) relating to this application I/we further authorize Municipality to disclose my personal information to these parties to obtain the information they require and acknowledge the Municipality will never disclose more information than they are required to.

The Municipality warrants that it will treat your personal information as confidential and take all necessary steps to protect your information as required by the Protection of Personal Information Act of 2013

\_\_\_\_\_  
Name of Applicant

\_\_\_\_\_  
Designation

\_\_\_\_\_  
Signature of applicant

\_\_\_\_\_  
Date