

WESTERN CAPE COVID-19 BUSINESS RELIEF FUND

1. Preamble and background

- 1.1 Whereas government departments, agencies, development finance institutions (DFIs) and the private sector (primarily through commercial banks) announced relief packages to support SMMEs, the impact of COVID-19 (C-19) continues to cause disruptions and uncertainty in the economy.
- 1.2 The Western Cape Government has estimated that 170 000 jobs will be lost due to the effects of the C-19 pandemic.
- 1.3 It is thus critical that a fund providing relief to businesses operating in the Western Cape Province be implemented to minimise the effects of the C-19 pandemic.

2. Purpose and Objectives

- 2.1 The purpose of the Fund is to alleviate the economic impact on small and micro enterprises operating in the Western Cape caused by C-19. The Fund will provide relief in the form of financial grants to the affected enterprises.
- 2.2 In providing support and assistance to selected businesses, the objective of the Fund is to contribute to the sustainability of qualifying Western Cape enterprises i.e. for the assisted enterprises to remain going concerns (sustainability) during the C-19 crisis in order to emerge (post the crisis) as viable labour-absorbing businesses

3. **The Fund**

- 3.1 The Covid-19 Business Relief Fund will be a non-sector specific fund that will support micro and small enterprises operational in the Western Cape.
- 3.2 Assistance from the Fund will be provided in two categories i.e. to formal and informal businesses.
- 3.3 Assistance can be applied for from one category only. Where applicants apply to both categories, the Department reserves the right to exclude both applications.
- 3.4 The Fund will provide financial assistance in the form of a financial grant to businesses that has been negatively affected by the C-19 pandemic.
- 3.5 Businesses who have benefited from any government relief initiatives will not be considered for assistance from the Covid-19 Business Relief Fund.
- 3.6 The grant will be used **exclusively** to subsidise business related expenses such as fixed costs, operational costs, supplier debt and other pressure cost items.
- 3.7 The number of employees will be used as a qualitative consideration when adjudicating applications.
- 3.8 The Fund will **exclude** payments of and towards salaries and wages.
- 3.9 The assistance afforded to formal business will be capped at approximately R200 000, 00 per business. The Department reserves the right to determine a higher or lesser amount and the right to fund selected components of the approved application.
- 3.10 The assistance afforded to informal business will be capped at approximately R15 000, 00 per business. The Department reserves the right to determine a higher or lesser amount and the right to fund selected components of a proposal.

3.11 All qualifying (only business related) expenses should be substantiated with reasonable supporting documents. The acceptance of such supporting documents will be at the discretion of the Department.

4. **Formal Businesses**

4.1 Qualifying criteria for the Covid-19 Business Relief Fund for formal businesses

Applicants in this category must be:

4.1.1 tax compliant at the time the application is submitted;

4.1.2 formally registered or incorporated e.g. with the Companies and Intellectual Property Commission (CIPC);

4.1.3 classified as a micro or small enterprise in terms of the National Small Enterprises Act (Act 102 of 1996 as amended) - https://www.gov.za/sites/default/files/gcis_document/201903/423041gon399.pdf ;

4.1.4 in formal existence for more than 2 years;

4.1.5 in good financial standing pre-COVID -19 (as at 29 Feb 2020);

4.1.6 operating in the Western Cape;

4.1.7 100% South African owned;

4.1.8 able to demonstrate how the business was negatively affected by the C-19 pandemic.

4.2 Documents to be submitted

The following documents must be submitted, via email, to the Department:

- 4.2.1 Tax Clearance Certificate or Tax Compliance Status letter or Pin;
- 4.2.2 Copy of Company registration documents for registered companies;
- 4.2.3 Annual Financial Statements for the two most recent financial years;
- 4.2.4 Proof of business address (lease/utility account);
- 4.2.5 Copy of Identity documents of all owners;
- 4.2.6 Payroll report indicating number of employees;
- 4.2.7 Monthly management accounts (monthly income and expenditure statements for the period January to August 2020); and
- 4.2.8 Supporting documents substantiating the funding request submitted.

5. **Informal Businesses**

5.1 Qualifying criteria for the Covid-19 Business Relief Fund for informal business

Applicants in this category must be:

- 5.1.1 100% South African owned;
- 5.1.2 operating in the Western Cape;
- 5.1.3 in possession of a valid municipal trade permit to trade;
- 5.1.4 operational at the time of applying for assistance;

- 5.1.5 in possession of an active bank account in the applicant's name;
- 5.1.6 able to demonstrate how the business was negatively affected by the C-19 pandemic; and
- 5.1.7 employ at least one person in addition to the owner (the Department reserves the right to request supporting documents to substantiate employment figures submitted).
- 5.1.8 Although tax registration is not a qualifying criterion when applying, applicants (business owners) are encouraged to register with SARS. No funds will be disbursed to business owners that are not registered with SARS.

5.2 Documents to be submitted

The following documents must be submitted, via email, to the Department:

- 5.2.1 Copies of Identity documents of all owners;
- 5.2.2 Municipal trading permit;
- 5.2.3 Monthly management accounts (monthly income and expenditure statement) or bank statements for the period January to August 2020; and
- 5.2.4 Supporting documents substantiating the funding request submitted.

6. **Adjudication process**

- 6.1 The Department will follow a formal adjudication process.

6.2 The adjudication process will entail, *inter alia*, an assessment and verification of the application and supporting documents.

7. **Disbursement of funds**

7.1 Successful applicants will be required to enter into a formal agreement with the Department and commit to participate in the Department's Monitoring and Evaluation programme.

7.2 Where businesses are unable to apply digital signatures to the agreement, documents will be emailed to them and they will be required to physically sign the documents and scan mail to Dedat.Relief@westerncape.gov.za

7.3 Informal business owners that are successful in their application and are not registered for tax will be required to register for tax before any funds are disbursed. These businesses will be given five (5) working days after notification of their successful application to provide the Department with their tax registration number.

7.4 Informal business owners that are registered for tax will be required to produce a letter or notification of tax compliance from SARS. Only tax compliant businesses will be assisted.

7.5 The names and value of assistance of the successful applicants will be published on the Department's website.

8. **Application process**

Please follow the guidance and information provided below:

8.1 The application process entails the completion of the required information online **and** the submission of the required supporting documents;

- 8.2 Please prepare the answers to questions before attempting to complete the application. See section 4.2 and 5.2 for the information and documentation required to prepare.
- 8.3 Once an application is started it must be completed. The application form does not allow for answers to be saved.
- 8.4 Only applications submitted via the online process, before the closing date and time, will be considered, no emailed applications will be considered; and
- 8.5 Applicants must submit all the supporting documents required and listed in section 4.2 (for formal businesses) or 5.2 (informal businesses) via email to Dedat.Relief@westerncape.gov.za. Please insert the name of your business in the subject line of the email.
- 8.6 To apply to the formal business category, please click on <https://forms.gle/h38hGtS7ppzZfb7WA>
- 8.7 To apply to the informal business category, please click on <https://forms.gle/UEsRhEjhPnHMxT2K8>
- 8.8 The closing date for applications is **Monday, 12 October 2020 at 10h00**. It is advisable to submit your application as early as possible as no late applications will be considered.
- 8.9 Should you have a question that is not addressed in this document, please send an email to the Department regarding your question to: Dedat.Relief@westerncape.gov.za.

(only online applications will be accepted and evaluated)