

Making-A-Difference.co.za

Simplified Memorandum of Incorporation (MOI)

Making A Difference NPC

Date: 26th February 2025

Introduction

This document is a **simplified version** of the Memorandum of Incorporation (MOI) of **Making A Difference NPC**, a non-profit company registered in South Africa. The purpose of this simplified version is to provide stakeholders, donors, and the public with an accessible overview of our organization's governance structure, objectives, and key operational principles.

While this document summarizes the main provisions of the full MOI, it does not replace the original document. The **full MOI** is available to members and stakeholders upon request. For further information, please contact us at connect@making-a-difference.co.za.

Making A Difference NPC is committed to transparency, accountability, and good governance. We hope this simplified version helps you better understand our mission and how we operate.

Key Details

- **Organization Name:** Making A Difference NPC
- **Registration Number:** REG# 2024/651293/08
- **NPO Number:** NPO# 315-670
- **Mission:** Our mission is to provide essential supplies, financial support, and facilitate the delivery of business services and projects to organizations and initiatives that serve vulnerable people and other good causes in South Africa. We empower people to focus on delivering high-quality care, education, and services to their beneficiaries. Our goal is to be a reliable and compassionate partner, enhancing social impact and sustainability.
- **Vision:** A world where everyone actively promotes good causes and where supportive environments exist for these causes to thrive.

Disclaimer: *This is a simplified version of the full Memorandum of Incorporation (MOI) of Making A Difference NPC. While every effort has been made to ensure accuracy, the full MOI takes precedence in the event of any discrepancies.*

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1. Mission and Objectives

Making-a-Difference NPC is a non-profit organization dedicated to **capacitating, supporting, and uplifting not-for-profit organizations** that fight for the rights and protection of vulnerable communities in South Africa. Our mission is to empower these communities and causes with essential resources, support, and strategic services.

We achieve this by:

- **Identifying and assessing** potential beneficiary organizations to determine where support is most needed.
- **Building networks** between organizations, donors, corporations, and government agencies to amplify impact.
- **Providing strategic support**, including programs and projects to enhance sustainability and effectiveness.
- **Donating goods and funds** to organizations serving vulnerable groups, such as children's welfare organizations and those assisting persons with disabilities.
- **Offering bursaries and scholarships** to school-going learners.

2. Governance and Legal Framework

Making-a-Difference NPC is a **non-profit company** incorporated under the **Companies Act of South Africa (2008)**. The organization operates in accordance with:

- The **unalterable provisions** of the Companies Act applicable to non-profit companies.
- The **alterable provisions** of the Companies Act, as modified by this MOI.
- The **objectives and powers** outlined in this MOI.

The organization has the **legal capacity of an individual**, but its powers are exercised solely to achieve its stated objectives.

3. Key Restrictions

To ensure alignment with its non-profit mission, Making-a-Difference NPC:

- **Cannot merge or convert** into a for-profit company.
- **Cannot dispose of assets** to a for-profit company, except for fair value in the ordinary course of its activities.
- **Will not participate** in any tax avoidance schemes.

All activities are carried out in a **non-profit manner** with **altruistic intent**. No activities may promote the economic self-interest of directors, officers, or employees, except through reasonable remuneration.

4. Membership

The organization has **voting members** who support its objectives. Members are admitted in accordance with a policy and procedure adopted by the organization.

Membership rights include:

- Voting on key matters at general meetings.
- Appointing proxies to represent them at meetings (subject to specific rules).
- Inspecting and copying the members' register.

Membership ceases if a member resigns, is removed by a majority vote, or no longer meets the criteria for membership.

5. Meetings

- An **Annual General Meeting (AGM)** is held once every calendar year, within 15 months of the previous AGM.
 - Special meetings may be called by the Board or by at least **10% of voting members**.
 - Meetings can be conducted **electronically**, provided all participants can communicate effectively.
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6. Members' Meetings

Quorum and Voting:

- A **quorum** for members' meetings is **50% of voting members** (or at least three members, whichever is higher).
- If a quorum is not met within 30 minutes of the scheduled start time, the meeting is **postponed for one week**.
- Decisions are made by:
 - **Ordinary resolutions:** Supported by more than 50% of voting members present or represented by proxy.
 - **Special resolutions:** Supported by at least 75% of voting members present or represented by proxy.

Electronic Participation:

- Members may participate in meetings **electronically**, provided all participants can communicate effectively.
- Written resolutions may also be adopted via **electronic voting**, with results communicated within 10 business days.

Special Resolutions:

Special resolutions are required for significant decisions, such as:

- Amending the MOI.
- Approving the voluntary winding up of the organization.
- Disposing of a significant portion of the organization's assets.

7. Board of Directors

Composition:

- The Board consists of **3 to 5 directors**, with at least three being **independent** (not “connected persons” as defined by the Income Tax Act).
- The **Chief Executive Officer (CEO)** and **Chief Operations Officer (COO)** serve as ex-officio directors.

Terms and Reappointment:

- Directors serve **3-year terms**, with terms staggered to ensure continuity.
- Directors may serve a **maximum of three consecutive terms** (9 years total) before taking a **1-year sabbatical**.

Vacancies:

- If the number of directors falls below the minimum, the remaining directors may continue to govern until replacements are appointed.
- A director’s position is vacated if they resign, are removed, or fail to meet legal requirements.

8. Authority and Duties of the Board

Governance:

- The Board is responsible for leading and directing the organization in alignment with its mission and objectives.
- Directors must act in **good faith**, in the **best interests of the organization**, and with the **care, skill, and diligence** expected of their role.

cont...Governance

Core Values:

- **Conscience:** Acting with honesty and independence in the best interests of stakeholders.
- **Competence:** Continuously developing the knowledge and skills needed for effective governance.
- **Commitment:** Devoting sufficient time and energy to the organization's affairs.
- **Courage:** Taking risks and acting with integrity in decision-making.

Key Responsibilities:

- Ensuring alignment of the organization's activities with its mission.
- Monitoring compliance, financial sustainability, and risk management.
- Contributing to the development and implementation of long-term strategies.
- Overseeing the delegation of authority to management.

9. Board of Directors' Meetings

Decision-Making:

- The Board may make decisions **in meetings** or through **written consent** (including electronic communication). Decisions made by written consent have the same effect as those made in meetings.

Scheduling and Notice:

- Regular Board meetings are scheduled in advance, with at least **four meetings per year**.
- Additional meetings may be called by **two directors** (or 25% of directors if the Board exceeds 12 members).
- Notice of meetings must be provided at least **10 business days** in advance, specifying the date, time, location, and agenda.

Quorum and Voting:

- A **quorum** for Board meetings is **three directors** or **half plus one** of the total number of directors, whichever is greater.
- Decisions are made by **majority vote**, with each director having one vote. In the case of a tie, the matter fails.

Electronic Participation:

- Meetings may be conducted **entirely electronically**, provided all participants can communicate effectively.

Conflict of Interest:

- Directors must disclose any **conflicts of interest** annually or as they arise.
- Directors with a conflict must **recuse themselves** from discussions and decisions related to the conflict.

Minutes:

- Minutes of all Board meetings are recorded and distributed to directors within **one month** of the meeting.

10. Officers, Committees, and Stakeholders

Officers and Managers:

- The Board may appoint **officers, executives, and managers** to manage the day-to-day operations of the organization.
- These individuals are granted the necessary authority to fulfil their roles, subject to Board approval.

Committees:

- The Board may establish **committees** and delegate specific responsibilities to them.
- Committees may include **non-directors** as members.

Advisory Council:

- The Board may invite **stakeholders, partners, and interested parties** to form an **advisory council**.
- The advisory council provides input on matters such as vision, policy, and stakeholder concerns.

11. Financial Management

Accounting Records:

- The organization maintains **accurate and complete accounting records** to comply with legal requirements and prepare financial statements.
- Records are securely stored and accessible to directors from the registered office.

Banking:

- All financial transactions are conducted through **bank accounts** opened in the organization's name.

Donations:

- The organization may accept **revocable and conditional donations**, provided:
 - The donation aligns with the organization's mission and objectives.
 - The donor does not derive any direct or indirect benefit from the donation (unless the donor is an approved public benefit organization).

12. Use of Resources and Expenditure

Income and Property:

- All income and property of the organization are used **solely to advance its mission**.
- No funds may be distributed to individuals, except as reasonable remuneration for services rendered or in the course of public benefit activities.

Remuneration:

- Directors serve **voluntarily** and are not remunerated for their services.
- Employees and officers may receive **reasonable remuneration** for their work, provided it is not excessive and aligns with sector standards.

Loans and Financial Assistance:

- The organization **does not provide loans** or financial assistance to directors or their related parties, except in specific circumstances (e.g., accountable advances for expenses).

Political Activities:

- The organization **does not support, advance, or oppose any political party**.

Scholarships and Bursaries:

- Scholarships and bursaries are awarded based on **objective merit or need**.
- Recipients of overseas scholarships must commit to applying their knowledge in South Africa for a period equal to the duration of their study or refund the award.

13. Financial Reporting and Compliance

Annual Financial Statements:

- The organization prepares **annual financial statements** within six months of the financial year-end.
- These statements are **audited** (if applicable) and include a directors' report on the organization's activities and financial status.

Annual Returns:

- The organization files **annual returns** with:
 - The **Companies and Intellectual Property Commission (CIPC)** within 30 business days of its incorporation anniversary.
 - The **South African Revenue Service (SARS)** for income tax purposes.

14. Nonprofit Status and Indemnification

Nonprofit Registration:

- The organization may register as a **Nonprofit Organisation (NPO)** under the NPO Act and must comply with all relevant requirements.

Indemnification of Directors:

- Directors and officers are **indemnified** against personal liability for losses incurred in the course of their duties, except in cases of **gross negligence, misconduct, or breach of duty**.
- The organization may advance legal expenses to directors defending litigation related to their service.

15. Amendments to the MOI

- The MOI may be amended by a **special resolution** of members.
- Amendments must be submitted to:
 - The **South African Revenue Service (SARS)** (if the organization is tax-exempt).
 - The **Directorate of Nonprofit Organisations** (if registered as an NPO).

16. Winding Up or Dissolution

- In the event of dissolution, the organization's remaining assets are transferred to another **nonprofit organization** with similar objectives.
- No member, director, or related party is entitled to any part of the organization's net value.