
Information on BEE (Black Economic Empowerment) points when making donations to the Hunger and Thirst Foundation

Background on the BEE Scorecard

Entities get up to 25 points (out of 100 points) on their BEE scorecard, as more than 80% of our foundation's beneficiaries are previously disadvantaged individuals.

You earn points on the BEE (Black Economic Empowerment) scorecard. The Codes of Good Practice for Broad Based Black Economic Empowerment (BBBEE) forms the basis of the requirements for business in the Government's aim to encourage the incorporation of the bulk of the population into the economy.

From 9 February 2007, the code is binding on all state organisations and public entities. For private sector enterprises entering into business with a state organisation or public entity (such as tendering for business), compliance is also compulsory. For private business it is imperative to comply to retain competitiveness. The code rates an entity on a scorecard system, with 7 elements and their particular weighting contributing to the total score (out of 100). When you make a donation to the Hunger and Thirst Foundation, you contribute to the 7th element, being Socio-economic development (SED). As the Foundation's beneficiary group is at least 80% black (defined as Black, Indian or Coloured) the full value of the donation is recognised to score points.

a) Donation points for large private entities: Turnover > R35m per annum

For large private entities, 5 of the total points can be earned when donating 1% of the entity's net profit after tax. These entities are scored on the Generic Scorecard, having to contribute to each element.



b) Donation points for medium sized entities: Turnover R5m- R35m per annum

For medium sized entities, 25 of the total points can be earned when donating 1% of the entity's net profit after tax. These entities may elect to be scored on the scorecard for Qualifying Small Entities, choosing to be rated on 4 out of the 7 elements only (each weighting an equal 25%).

c) Donation points for small and micro enterprises: Turnover < R5m per annum

Exempted Small and Micro Enterprises, enjoy a deemed BEE recognition of a Level 4 contributor (having between 65 and 75 points on the scorecard). Donating to our Foundation can have a significant impact on the entity's BEE scorecard.

THE STEPS TO HAVE YOUR BEE POINTS VERIFIED

1) You have to contact your BEE rating agency:

in order to verify the BEE points you scored (not only for donations to organizations such as our Foundation, but also on the other relevant criteria).

If you do not yet have an agency representing you, you can contact the Association of BEE Verification Agencies (ABVA). It is an independent national membership organisation established to lead the black economic empowerment (BEE) verification industry. They have a list of agencies on their website www.abva.co.za or you can contact ABVA directly:

42 Wierda Road West, Wierda Valley, Sandton, 2196

PO Box 3508, Pinegowrie, 2123

(Tel) 086 111 2282 (Fax) 086 612 2832 (e-mail) info@abva.co.za or technical@abva.co.za

2) You have to contact us:

once you are registered with a BEE verification agency, they will request the following documentation from you, with respect to the donations you have made to the Hunger and Thirst Foundation:

- a Profile of our Foundation;
- a letter from our Foundation confirming that more than 80% of our foundation's beneficiaries are previously disadvantaged individuals; and
- a receipt confirming the full details of your organisation's donation to our Foundation, in line with Section 18A of the Income Tax Act of 1962.

At your request, we will supply you with a hard copy of the documents mentioned above (once we have calculated the sum of your donations for the particular tax year).

Should you require further information regarding donations to the Hunger and Thirst Foundation, please contact:

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