



Cape Mental Health

all about ability

Constitution

1. NAME

The name of the organisation will be **CAPE MENTAL HEALTH** (referred to in this Constitution as “the Organisation”).

2. AREA OF OPERATION

The Organisation will operate and collect contributions within the boundaries of the Western Cape Province.

3. DEFINITIONS

3.1 Non- Government Organisation

A non-government organisation (NGO), also known as a non-profit organisation (NPO), is established and registered with the Non-profit Directorate and regulated by the Non-Profit Organisations Act No 71 of 1997 that defines a non-government organisation as “ a trust, company or other association of persons:

- (a) established for a public purpose; and
- (b) the income and property of which are not distributable to its members or office-bearers except as reasonable compensation for services rendered.”

This sector is part of civil society and is established not-for-profit or gain.

NGOs function independently but may deliver essential humanitarian services on behalf of and in partnership with State entities and may or may not receive State subsidies which generally do not escalate on an annual basis resulting in the NGOs having to carry the highest cost. The value of the subsidy varies from one State department to another.

CMHS CONSTITUTION: 16 AUGUST 2012

3.2 Public Benefit Organisation

This means any organisation -

- a) which is-
 - i) a non-profit company as defined in section 1 of the Companies Act, 2008 (Act No. 61 of 2008), or a trust or an association of persons that has been incorporated, formed or established in the Republic; or
 - ii) any branch within the Republic of any company, association or trust incorporated, formed or established in any country other than the Republic that is exempt from tax on income in that other country;
- b) of which the sole or principal objective is carrying on one or more public benefit activities, where-
 - i) all such activities are carried on in a non-profit manner and with an altruistic or philanthropic intent;
 - ii) no such activity is intended to directly or indirectly promote the economic self-interest of any fiduciary or employee of the organisation, otherwise than by way of reasonable remuneration payable to that fiduciary or employee; and
- c) where-
 - i) each such activity carried on by that organisation is for the benefit of, or is widely accessible to, the general public at large, including any sector thereof (other than small and exclusive groups).

3.3. Board

The Board is the governing body of the organisation whose functions are to:

- Act in good faith in the best interest of the NPO
- Act within the powers of NPO and Board limitations
- Exercise independent discretion
- Ensure compliance with the Constitution, regulations and laws
- Establish a mix of representation, skills and experience
- Specify terms of office
- Ensure continuity of key roles on governing body
- Operate through sub-committees
- Clarify role of staff members at governing body meetings

- Maintain an independent relationship with the organisation to avoid conflicts of interest
- Know the organisation's mission, goals, policies, programmes, services, strengths and needs
- Know and understand the Constitution
- Act only in the interest of the organisation, responsibly, credibly and independently
- Avoid prejudiced judgments based on individual remarks
- Follow trends in the field of work of the organisation
- Exercise prudence with the control of funds

3.4 Income Tax Act, No 58 of 1962

The aim of the Act is to consolidate the law relating to the taxation of incomes and donations, to provide for the recovery of taxes on persons, to provide for the deduction by employers of amounts from the remuneration of employees in respect of certain tax liabilities of employees, and to provide for the making of provisional tax payments and for the payment into the National Revenue Fund of portions of the normal tax and interest and other charges in respect of such taxes, and to provide for related matters.

3.5 Commissioner

This means the Commissioner for the South African Revenue Service.

3.6 Estate Duty Act, No 45 of 1955

The objective of the Act is to impose an estate duty upon the estates of deceased persons, to repeal the Death Duties Act, 1922, and to provide for matters incidental thereto. This Act has been updated to *Government Gazette* 33726 dated 2 November, 2010.

4. STATUS

- 4.1 The Organisation is registered as a non-profit organisation in terms of the NPO Act (1997) and is a public benefit organisation as defined in section 30(1) of the Income Tax Act 58 of 1962 as amended. Its area of operation is the Republic of South Africa.
- 4.2 The Organisation is a legal entity with perpetual succession and may perform all such juristic acts which are authorised by this Constitution, inter alia, the acquisition and sale of movable and immovable property, the instituting and defence of legal actions, the raising of funds, the receipt of donations, the granting of awards and bursaries and all other such actions which are necessary to give effect to its aims and objectives, subject to the conditions stipulated in article 5.3.

5. CONDITIONS

- 5.1 The activities of the Organisation are carried out in a non-profit manner and no activity will directly or indirectly promote the economic self-interest of any fiduciary or employee of the Organisation otherwise than by way of reasonable remuneration. No such remuneration will be paid to any employee or other person which is excessive, having regard to what is generally considered reasonable in the sector and in relation to the service rendered and does not economically benefit any person in a manner which is not consistent with the Organisation's aims and objectives.
- 5.2 The funds of the Organisation will be used solely for the aims and objectives for which it was established. No funds will be distributed to any person other than in the course of undertaking any public benefit activity.
- 5.3 No donation will be accepted which is revocable at the request of the donor for reasons other than a material failure to conform to the designated purposes and conditions of such donation, including any misrepresentation with regard to the tax deductibility thereof in terms of section 18A of the Income Tax Act.

Furthermore, the Organisation will not accept a donation from a donor (other than a donor which is an approved public benefit organisation or an institution, board or body which is exempted from tax in terms of section 10(1)(cA)(i) of the Act, which has as its sole or principal object the carrying on of any public benefit activity) where any conditions have been imposed which could enable such donor or any connected person in relation to such donor to derive some direct or indirect benefit from the application of such donation.

- 5.4 No member of the Board, Executive Committee or other governing committees as well as the staff of the Organisation may have an interest or benefit from any contract concluded by the Organisation and third parties.

6. LIMITATION OF RIGHTS AND LIABILITIES

Representation on any of the governing bodies and structures of the Organisation or membership of any Committee does not give the members or the member organisation any proprietary right, title or claim to any interest in any of the property or assets of the Organisation, nor does such a member by virtue of his/her representation, incur any liability in respect of any claim or action brought against the Organisation, unless such liability was incurred through the gross negligence, default, breach of duty or trust of which such a member may be found guilty in relation to the Organisation.

7. MISSION

Cape Mental Health is a registered non-profit organisation that provides or facilitates comprehensive, pro-active and enabling mental health services in the Western Cape.

We are committed to challenging socially restrictive and discriminatory practices affecting the mental health of all people.

Our work is underpinned by a commitment to quality, excellence and professionalism at all times.

We believe that all people can be empowered to achieve the highest possible level of mental health and quality of life. To achieve this, we work in consultation and in partnership with individuals, the community and relevant stakeholders.

We aim to:

- 7.1 Promote the highest degree of mental health in the community, regardless of race, colour, or creed. This includes the alleviation of emotional conflicts and tensions within the individual, as well as between individuals and between groups in the community.
- 7.2 Improve the quality of life of people with intellectual disability or psychiatric disability (mental illness) and that of their families.
- 7.3 Create an enabling environment for service-users that offers options.
- 7.4 Recognise change and learning potential in everyone.
- 7.5 Adopt a caring, humanitarian and moral approach to our work, our staff and our service-users.
- 7.6 Initiate and develop appropriate services and facilities for people with mental disability in consultation with them and the community.
- 7.7 Reduce the incidence of intellectual disability and psychiatric disability in the community by the dissemination of information.
- 7.8 Provide information and raise awareness about intellectual disability, mental illness and the promotion of mental health in the broader community.
- 7.9 Engage greater service-user (consumer) involvement in service delivery.
- 7.10 Embark on a more vigorous, visible and inclusive advocacy programme mobilising the community, service-users, staff and other organisations.
- 7.11 Foster collaborative relationships with internal, external and collegial partners for service-delivery and research.

- 7.12 Initiate research into the causes of mental disability and social attitudes; to determine conditions which are conducive to mental health and take steps necessary for the elimination (or improvement) of such conditions which negatively impact on mental well-being; to work for public participation by disseminating information relating to the incidence and prevention of mental disorders.
- 7.13 To strive for co-operation and co-ordination between non-profit organisations and State Departments to bring about an inter-disciplinary team approach to all matters pertaining to mental health including the rehabilitation and care of persons living with mental disability.
- 7.14 To promote the mental health of all people in the Western Cape, and collaborate and liaise with other organisations with similar aims at local, regional, provincial, national and international levels.
- 7.15 To co-operate with training institutions that teach social work, psychology, psychiatry, nursing, occupational therapy, remedial teaching and any other disciplines that may contribute to the realisation of the objectives set out above.
- 7.16 To promote and advocate humans rights relating to mental health issues in partnership with service users and the community.

8. RELATIONSHIP TO THE SA FEDERATION FOR MENTAL HEALTH

Cape Mental Health will be a constituent organisation of the SA Federation for Mental Health (herein referred to as "the National Office") and will co-operate actively with that body, more particularly with regards to the following:

- 8.1 All minutes of the Board of the Organisation will be submitted to the National Office and the Organisation will be entitled to receive SAFMH Board minutes.
- 8.2 The constitution of the Organisation and the territorial boundaries within which it operates will be subject to the approval of the National Office.
- 8.3 The Organisation will in each year immediately after its Annual General Meeting submit to the National Office for its information a copy of its Annual Report and Audited Financial Statements for the year.
- 8.4 All matters of national policy will be dealt with by National Office and all approaches in such matters to national Government Departments and other national bodies will be made through the National Office.

Subject to the foregoing conditions the Organisation will be completely autonomous.

9. MEMBERSHIP

The Organisation will consist of Ordinary Members, Corporate Members, Life Members, Honorary Members, Affiliated Members and Representative Members. Every member, provided he/she is in good standing, will be entitled to vote at any general meeting of members. The Board may in its discretion and without any obligation to give reasons for its decisions, decline to accept an application for membership:

- 9.1 Ordinary members: Any person who subscribes such amount as fixed from time to time at a Board meeting will be an ordinary member for the financial year in which he subscribes. Subscriptions renewing membership must be paid not later than the Annual General Meeting of each year.
- 9.2 Corporate members: Any company and organisation which subscribes such amount as fixed from time to time at a Board meeting will qualify for corporate membership. Such membership entitles the company to nominate a person who will have the rights and privileges of an ordinary member.
- 9.3 Life members: Any person who subscribes not less than ten times the amount prescribed for an Ordinary member may apply for life membership and have the privileges of an Ordinary member for life.
- 9.4 Honorary members: Any person who has rendered special services or assistance to the Organisation may, at an Annual General Meeting, be granted honorary membership for any period, including life. Nominations for Honorary membership are to be lodged with the secretary of the Board at least 30 days prior to the Annual General Meeting.
- 9.5 Affiliated members: Any institution or organisation which concerns itself exclusively with one or other aspect of work in the field of mental health may become affiliated with the Organisation and nominate one of its members as an affiliated member of the Organisation. Such affiliated members will have the rights and privileges of an Ordinary member until the next Annual General Meeting. An Affiliated member may be co-opted onto the Board as an additional co-opted member of the Board.
- 9.6 Representative members: Any local authority, institution or organisation which performs a community service and is interested in the field of mental health and desires to co-operate with the Organisation may nominate one member as a Representative member of the Organisation. Such Representative member will have the rights and privileges of an Ordinary member until the next Annual General Meeting. A Representative member may be co-opted onto the Board as an additional co-opted member of the Board.
- 9.7 A register of the names and addresses of all members will be kept at the organisation's Head Office.

10. STRUCTURE

The business of the Organisation will be conducted through the medium of:

- 10.1 A **Board** appointed by members at each Annual General Meeting.
- 10.2 An **Executive Committee** appointed by the Board annually at its first meeting after the Annual General Meeting.
- 10.3 **Ad Hoc and other sub-committees** appointed as required in terms of Clause 11.2.5 hereof.

11. BOARD

The control of the activities of the Organisation will vest in the Board which will have full power to further the objectives of the Organisation in any way it deems fit.

- 11.1 The Board will consist of elected and co-opted members as follows:
 - 11.1.1 **Elected Members:** Not fewer than five and not more than ten Ordinary, Corporate, Life and Honorary members, each of whom will be nominated by one member in good standing at least 14 (fourteen) working days before the Annual General Meeting through a nomination forwarded to the Director (ex-officio), and will be elected at the Annual General Meeting.
 - 11.1.2 **Co-opted Members:** Not more than three other members of the Organisation will be co-opted by the Board.
- 11.2 The Board is responsible for the following:
 - 11.2.1 At its first meeting each year the Board will elect the Organisation's office bearers, viz. the chairperson, the vice-chairperson and the honorary treasurer and, in addition, at least one honorary psychiatrist, the auditors and an honorary legal adviser. The Executive Committee will also be elected at this meeting. The chairperson and vice-chairperson will hold office for a period of two years.

After relinquishing office, the chairperson and vice-chairperson will all remain on the Board as immediate past chairperson and vice-chairperson for the duration of the successors' term of office. The vice-chairperson may hold the office of chairperson in the period following his term of office as vice-chairperson. The chairperson and vice-chairperson may be re-elected for a further period of two years.
 - 11.2.2 Furthermore, the Board will:
 - 11.2.2 Endeavour to meet once per quarter. The date and time of the next meeting will be decided at each meeting. Additional meetings may be convened by the Board. At least fourteen working days' written notice will be given of all meetings and such notice will state the purpose of the meeting.

- 11.2.3 Be empowered and delegate staff responsibilities to the Director to fill any vacancies occurring during the year.
- 11.2.4 Keep proper minutes of all Board meetings and circulate copies to members of the Board.
- 11.2.5 Be entitled to appoint and/or approve such Ad-Hoc and Sub- Committees as are necessary for the better transaction of the Organisation's affairs and to dissolve these committees as required.
- 11.2.6 Be empowered to purchase or acquire by any appropriate means immovable or movable property for such price and upon such conditions as it may deem fit. Any immovable property so acquired will be registered in accordance with provisions of Clause 21 hereof.
- 11.2.7 Have the right and be empowered to exercise its discretion to mortgage or pledge any immovable or movable property acquired by it as aforementioned for such amount and upon such terms and conditions as it may deem fit.
- 11.2.8 Be empowered to sell, exchange or otherwise dispose of any immovable or movable property owned by the Organisation for such price and upon such terms and conditions as it may deem fit and for the said purposes will be entitled to so authorise and instruct the Executive Committee to execute all and any documents required to give effect to any such sale, exchange or disposal. The Board will further be entitled and empowered to burden any property owned by the Organisation with any servitude or other right as it may deem fit.
- 11.2.9 Acquire and maintain offices and premises to conduct the Organisation's activities.
- 11.2.10 Mandate the Executive Committee to mandate the Director to recruit, select and dismiss any employees and determine the duties of all staff and fix the terms and conditions of their employment according to the labour laws of the Republic of South Africa.
- 11.2.11 Establish projects and programmes within the Organisation's area of operation.
- 11.2.12 Open and operate separate banking accounts as required by law in the name of the Organisation.
- 11.2.13 Mandate the Executive Committee to invest funds of the Organisation as it deems fit and approve the investment recommendations; make investments, both long and short term; realise any investments, change the same and re-invest any money; decide on the nature of any loans or investments made and the security to be taken, if any, provided that funds available may be invested only with registered financial institutions as defined in Section 1 of the Financial Institutions Investments of Funds Act, 1984 or in the acquisition of securities listed on a licensed Stock Exchange as defined in Stock Exchange Control Act, 1985.

- 11.2.14 Mandate the Executive Committee to enter into contracts and agreements for the use and benefit of the Organisation with approval and ratification by the Board.
- 11.2.15 Delegate to the Executive Committee, Ad Hoc and Sub-committees such powers as are necessary for their objectives and to ensure efficient and proper functioning.
- 11. 2.16 Institute or defend legal proceedings by or against the Organisation or on behalf of or against individual members or officials of the Organisation.
- 11.2.17 Deal with all matters arising from the affairs of the Organisation that are not specifically provided for in the Constitution or, if provided for, which in the opinion of the Board, are ambiguous.
- 11.2.18 Ensure that any income derived or property acquired may only be utilised in the furtherance of the aims and objects of the Organisation and that no person may be enriched thereby except by way of payment in good faith of reasonable remuneration to an employee for a service rendered to the Organisation.

A QUORUM OF THE BOARD WILL BE FIVE.

Notwithstanding this requirement, a resolution in writing signed by members of the Board and being not less than are sufficient for a quorum, will be as valid and effective as if it had been passed at a meeting of the Board members duly convened and held.

12. EXECUTIVE COMMITTEE

The Executive Committee is elected by the Board (Clause 11.2.1).

- 12.1 The Executive Committee will consist of: the chairperson, vice-chairperson and honorary treasurer of the Organisation, and two Board members elected at the first meeting of the Board after the Annual General Meeting each year.
- 12.2 The Executive Committee will meet at least once a month or as often as is necessary to take full responsibility for the functions and duties delegated to it by the Board, provided that:
 - 12.2.1. It will keep proper minutes of all its meetings and table copies of these minutes at the next Board meeting as a true record of its decisions and actions.
 - 12.2.2 It will, whenever necessary, refer to the Board for instructions.
 - 12.2.3 It may purchase, sell, mortgage or encumber immovable property with the prior specific approval and authority of the Board.
- 12.3 The Executive Committee will remain in office until the next Annual General Meeting, but may be dissolved by the members of the Organisation in a General Meeting specially called for the purpose.

A QUORUM FOR EXECUTIVE COMMITTEE MEETINGS WILL BE THREE OF WHOM ONE IS TO BE THE CHAIRPERSON OR THE HONORARY TREASURER.

13. PERIOD OF OFFICE

Office bearers, Board members and members of the Executive Committee and of sub-committees will continue in office until the conclusion of the meeting at which their successors are appointed. Refer to clause 10.2

14. FORFEITURE OF COMMITTEE MEMBERSHIP

Membership of the Board, Executive Committee or any Sub-committee will cease on failure of any member to attend three consecutive meetings without written notice of leave of absence.

15. GENERAL MEETINGS

Every member in good standing is entitled to receive notice of and to attend every general meeting of members.

15.1 The **Annual General Meeting** of the Organisation will be convened after at least 14 (fourteen) working days' written notice given by the secretary or any other person appointed by the chairperson of the Organisation. The notice will be given to all members of the Organisation.

The meeting will be held within 6 months of the end of the financial year according the Non-Profit Directorate Act (1997) between 1 April and 30 September each year (both dates inclusive), and the following business will be transacted:

15.1.1. Confirmation of minutes of the previous Annual General Meeting.

15.1.2 Presentation of Annual Report and Audited Financial Statements.

15.1.3 Election of a president and not more than three vice-presidents.

15.1.4 Election of the Board, as set out in Clause 10.1 hereof. Nominations for the Board will be made in writing with the consent of the person nominated. A nomination must be made by a member in good standing and must be handed to the secretary or director (ex-officio) at least 14 (fourteen) working days before the Annual General Meeting.

15.1.5 Any other relevant business.

15.2 **A Special General Meeting** of the Organisation will be called by notice from the secretary or director (ex-officio) on the instructions of the Board or upon written request signed by at least ten members of the Organisation. The notice will state the nature of the business which is to be considered and transacted and will be given at least 14 (fourteen) working days before the meeting.

No other business will be transacted at a Special General Meeting.

15.3 Amendments to the Constitution

The constitution may only be rescinded, amended or added to by two-thirds majority of members present at the Annual General Meeting and/or Special General Meeting of the Organisation, provided, however, that written advice of any proposed rescission, amendment or addition will be sent to the secretary or director (ex-officio) of the Organisation not less than four weeks before the date of the meeting; such proposals having been included and sent out with the notice and agenda of the said meeting at which the proposed rescission, amendment or additions are to be considered.

Such amendment of the constitution will not become operative until the approval of the SA Federation for Mental Health has been obtained as well as the Director: Non-Profit Organisation where applicable. In addition to the foregoing, a copy of each amendment of the constitution will be submitted to the Commissioner for Inland Revenue.

16. QUORUM

A QUORUM AT ALL GENERAL MEETINGS OF THE ORGANISATION WILL BE AT LEAST ONE-QUARTER OF THE MEMBERS OF THE ORGANISATION OR 25 MEMBERS PERSONALLY PRESENT, WHICHEVER WILL BE THE LESSER IN NUMBER.

If there is no quorum within ten minutes of the time appointed for a meeting, those members present may, by a majority vote, adjourn the meeting for a period of not less than 14 (fourteen) working days. At the resumed meeting those present will constitute a quorum for that meeting.

17. CHAIRPERSONSHIP AT MEETINGS

At all General Meetings the chairperson of the Organisation and failing him/her the vice-chairperson of the Organisation will act as chairperson. At all committee meetings the chairperson or failing him/her the vice-chairperson of the relevant committee will act as chairperson. If, after due regard for the foregoing provisions of this Clause, no chairperson is present ten minutes after the time appointed for the meeting, then those members entitled to be present will, by a show of hands, elect a chairperson for the particular meeting.

18. VOTES

At all meetings each member present will have one vote. In the case of equality of votes, the chairperson of the meeting will have a casting vote.

19. FINANCE

The Organisation's financial year will run from 1 April to 31 March.

All funds received by the Organisation will be paid into the Organisation's bank accounts.

Cheques and electronic payments will be authorised by any two persons approved by the Executive Committee.

The honorary treasurer will ensure that audited financial statements are presented at the Annual General Meetings of the Organisation.

The Organisation will keep financial records in accordance with generally accepted accounting practices and all funds must be transacted through registered financial institutions.

The Organisation may administer trust funds on behalf of its clients.

With reference to the Organisation as a Public Benefit Organisation:

19.1 The Organisation is a Public Benefit Organisation in terms of section 30 of the Income Tax Act (1962 as amended). The Public Benefit Organisation status has been approved in terms of section 18A(1)(a) of the Act and donations to the organisation are tax deductible in the hands of the donor and in terms of and subject to the limitations prescribed in section 18A of the Act. Donations are exempt from donations tax in terms of section 56(1) (h).

Bequests or accruals from the estates of deceased persons in favour of the public benefit organisation are exempt from the payment of estate duty in terms of section 4(h) of the Estate Duty Act, 45 of 1955.

All activities by the Organisation, as required by section 30 of the Income Tax Act (1962 as amended), will be adhered to and complied with at all times.

19.2 At least 85 per cent of the public benefit activities, measured as either the cost related to the activities or the time expended in respect thereof, will be carried out for the benefit of persons in the Republic, unless the Minister of Finance directs otherwise. However, co-operative and networking relationships will be encouraged and conducted with other like-minded organisations outside South Africa.

19.3 In order to facilitate the Organisation's eligibility for tax exemptions and other fiscal benefits, and in compliance with section 30 of the Income Tax Act (1962 as amended), the Society's powers will be subject to the following further special conditions:

19.3.1 No activity of the Organisation will be intended to directly or indirectly promote the economic self-interest of any fiduciary or employee of the Organisation, other than by way of reasonable remuneration payable to that fiduciary or employee.

- 19.3.2 The Organisation must carry on its public benefit activities in a non-profit manner.
- 19.3.3 The Organisation must comply with such conditions, if any, as the Minister of Finance may prescribe by way of regulation to ensure that the activities and resources of the Organisation are directed in the furtherance of its objects.
- 19.3.4 The Organisation must submit to the Commissioner for Inland Revenue a copy of any amendment to this constitution under which it has been established.
- 19.3.5 The Organisation must be required to have at least three persons, who are not connected persons in relation to one another, to accept the fiduciary responsibility of the Organisation and no other single person directly or indirectly controls the decision making powers relating to the Organisation.
- 19.4 The Organisation may invest funds subject to the following conditions:
- 19.4.1 With financial institutions as defined in section 1 of the Financial Services Board Act, 1990 (Act No. 97 of 1990 of 1990); and/or
- 19.4.2 In securities listed on a stock exchange as defined in section 1 of the Stock Exchanges Control Act, 1985 (Act No. 1 of 1985); and/or
- 19.4.3 In such other prudent investments in financial instruments and assets as the Commissioner may determine after consultation with the Executive Officer of the Financial Services Board and the Director of Non-Profit Organisations, provided that the provisions of this sub-paragraph do not prohibit the Organisation from retaining any investment (other than any investment in the form of a business undertaking or trading activity or asset which is used in such business undertaking or trading activity) in the form that it was acquired by way of donation, bequest or inheritance.
- 19.5 The Organisation will be prohibited from carrying on any business undertaking or trading activity other than to the extent that:
- 19.5.1 The gross income derived from such business undertaking or trading activity does not exceed the greater of:
- a) fifteen percent (15%) of the gross receipts of the Organisation or
 - b) twenty-five thousand rand (R25,000.00);
- 19.5.2 The undertaking or activity is:
- a) integral and directly related to the objectives of the Organisation; and
 - b) carried out or conducted on a basis substantially the whole of which is directed towards the recovery of cost, and which would not result in unfair competition in relation to taxable entities;

- 19.5.3 The undertaking or activity, if not integral and directly related to the sole object of the Organisation as contemplated in clause 7.2.7.2, is of an occasional nature and undertaken substantially with assistance on a voluntary basis without compensation; or
- 19.5.4 The undertaking or activity is approved by the Minister's notice in the Gazette, having regard to:
- a) the scope and benevolent nature of the undertaking or activity
 - b) the direct connection and interrelationship of the undertaking or activity with the sole purpose of the Organisation;
 - c) the profitability of the undertaking or activity; and
 - d) the level of economic distortion that may be caused by the tax-exempt status of the Organisation carrying out the undertaking or activity.
- 19.6 The Organisation is prohibited from accepting any donation which is revocable at the request of the donor for reasons other than a material failure to conform to the designated purposes and conditions of such donation, including any misrepresentation with regard to the tax deductibility thereof in terms of section 18A of the Income Tax Act.
- Furthermore, the Organisation will not accept a donation from a donor (other than a donor which is an approved public benefit organisation or an institution, board or body which is exempted from tax in terms of section 10(1)(cA)(i) of the Act, which has as its sole or principal object the carrying on of any public benefit activity) where any conditions have been imposed which could enable such donor or any connected person in relation to such donor to derive some direct or indirect benefit from the application of such donation.
- 19.7 The Organisation ensures that it is not knowingly a party to and does not knowingly permit itself to be used as part of any transaction, operation or scheme of which the sole or main purpose is or was the reduction, postponement or avoidance of liability for any tax, duty or levy, which, but for such transaction, operation or scheme, would have been or would have become payable by any person under the Income Tax Act 58 of 1962, as amended, or any other Act administered by the Commissioner.
- 19.8 The Organisation has not and will not pay any remuneration as defined in the Fourth Schedule of the Income Tax Act, 1962 (Act 58 of 1962) to any employee, office bearer, member or other person which is excessive, having regard to what is generally considered reasonable in the sector and in relation to the service rendered and which has not and will not economically benefit any person in a manner which is not consistent with its objects.
- 19.9 The Organisation complies with such reporting requirements as may be determined by the Commissioner.

- 19.10 The Organisation takes reasonable steps to ensure that the funds which it may provide to any association of persons as contemplated in section 30(b) (iii) of the Income Tax Act of 1962, as amended, are utilised for the purpose for which they are provided.
- 19.11 The Organisation becomes registered in terms of section 13(5) of the Non-Profit Organisations Act 71 of 1997, as amended, within such period as the Commissioner may determine, and complies with any requirements imposed in terms of that Act, unless the Commissioner in consultation with the Director of Non-Profit Organisations designated in terms of section 8 of the Non-Profit Organisations Act, 1997, on good cause shown, otherwise directs.
- 19.12 The Organisation has not and will not use its resources directly or indirectly to support, advance or oppose any political party.
- 19.13 The Organisation ensures that any books of account, records or other documents relating to its affairs are:
- 19.13.1 Where kept in book form, retained and carefully preserved by any person in control of the Organisation for a period of four years after the completion of the transaction, act or operation to which they relate.
 - 19.13.2 Where not kept in book form, are retained and carefully preserved by any person in control of the Organisation for a period of four years after the completion of the transaction, act or operation to which they relate.

20. PROPERTY

The property of the Organisation will be vested in the name of Cape Mental Health.

The Board may from time to time direct by resolution, and may, subject to such direction, have the power to acquire, hold, alienate, mortgage, exchange, let or hire such property on behalf of the Organisation and execute all and any documents necessary to give effect to any such transactions.

21. LIMITATION OF RIGHTS AND LIABILITIES OF MEMBERS

Membership of the Organisation does not and will not give to any member proprietary right, title or claim to, or any interest in, any of the property or assets of the Organisation; nor does a member by such membership incur any personal financial liability in respect of any claim or action brought against the Organisation.

22. CANCELLATION OF MEMBERSHIP

If the Board believes that the membership of a person/organisation should be cancelled, it will give such member not less than 14 (fourteen) working days' notice in writing that the member will be entitled to appear before it personally or be accompanied by a representative to oppose the proposed cancellation of membership.

When giving such notice, the Board will inform such member of the reasons for the proposed cancellation of membership.

If (a) the member fails to appear or (b) the Board considers that the representations made to it do not justify continued membership, the Board will be entitled to cancel membership without being obliged to give reasons for its decisions, but it will notify the person/party accordingly in writing.

23. LEGAL ACTION

The Organisation may sue in the name of Cape Mental Health. Powers to sue or defend will be signed by the Chairperson, recommended by the Executive Committee and endorsed by the Board.

24. DISSOLUTION OF THE SOCIETY

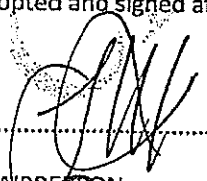
The Organisation may be dissolved if at least two-thirds of the members present and voting at a general meeting of members convened for the purpose of considering such matters are in favour of dissolution. Not fewer than twenty-one days' notice will be given of such a meeting and the notice convening the meeting will clearly state that the question of dissolution of the Organisation and disposal of its assets will be considered.

A QUORUM WILL BE AS REQUIRED FOR ALL GENERAL MEETINGS REFERRED TO IN CLAUSE 16. If there is no quorum at such a general meeting, the meeting will stand adjourned for one week at the same time and place and the members attending such an adjourned meeting will constitute a quorum.

25. DISTRIBUTION OF ASSETS

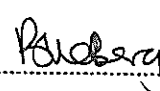
If upon dissolution of the Organisation there remains any assets whatsoever after the settlement of all its debts and liabilities, such assets will not be paid to or distributed among its members, but will be given to such other registered non-profit organisation(s) which are also public benefit organisations and preferably having similar objectives, as may be decided by the Director of Non-profit Organisations.

Adopted and signed at OBSEVATORY this 17th day of AUGUST 2012.


.....
CHAIRPERSON


.....

SECRETARY


.....

WITNESS


.....

WITNESS