

A10.3.2.4

Introduction

1987 was a very difficult year for ECC on the financial level. These problems highlighted perhaps the most serious of our financial problems; ECC as an organisation has not developed a political responsibility for its finances. This means that our financial consciousness should be on a par with our political consciousness. Financial questions are as central to the effectiveness of ECC as an organisation mobilising public opinion, as much as the availability of a speaker or media for a meeting. It is a central tactical question that has to be tackled like any other tactical question. Hopefully this will be able to be rectified.

The 1987 Budget

The budget proposal for 1987 was drawn up some three months after the S of E was declared. At that stage there was a lot of talk of ECC being banned. The budget was therefore conservative in its expected expenditure. This in the main was the reason that we developed financial problems towards the end of the year. We thus started 1988 being in debt to the tune of R 53 000 at a National level and at least a further R 10 000 in debt at a regional level.

Our national income amounted to some R 180 000 (which includes the R 53 000 loans)

national expenses amounted to R 175 000.

This has left us with about R 5 000. These figures are meant to give a general impression of the national situation. The figures would be much higher for all the regions because they do not take into account the locally raised monies.

Budgeting and bookkeeping

This situation was further aggravated by the fact that there is no systematic budgetting system that we follow. With no universal system that all regions adhere to, it is impossible to forecast what our financial needs will be at any given moment. Thus it was impossible to respond to a call for a few thousand from a region at short notice. And often it was impossible to respond at all.

The bookkeeping system that we follow at a national level also makes the administration of the funds difficult. It is a fairly simplistic system created when we had one employee and three regions. With the number of employees, regions and range of activities that we are now involved in, it becomes very difficult to keep track on how we are spending our money. This needs to be remedied. We cannot be in the situation, where we discover at the end of the month that we have no money for salaries. We need to devise a different system.

Local Fundraising

In all applications for financial aid it is essential that we find at least one quarter of the expected expenditure. This year that amounted to needing to find some R 80 000. We didnt even begin to conceptualise this, never mind reach it. In all the regions we are going to have to tackle this with a lot more vigour. For 1988 we have an expected expenditure of about R 410 000, and we have budgetted to raise R 100 000 of that ourselves. With a new system of administration I think this can be achieved.

Legal Issues

In January this year an investigation into ECC funding was launched by the Department of Health and Population. Copies of our 1986 books were taken and a report was drawn up. This stated that in terms of our documents (bank statements, bank deposit slips, cashbook) we had prima facie broken two different sections of the Fundraising Act. This report was forwarded to the Commercial Division of the SAP. A colonial was appointed to investigate and he proceeded to meet with all signatories of the 1985 and 1986 account. He confiscated, with the aid of a search and seizure warrant, all ECC financial documentation. Our lawyers were present through out these proceedings. The saga came to a close with our lawyers receiving notification that charges would not be pressed for lack of evidence. In discussions subsequently we came up with a number of conclusions concerning the whole affair. These discussions involved ECC members, our lawyers and auditor.

1. The investigation was part of a widescale investigation into the financial affairs of a whole range of organisations. Most of these did not result in charges being laid, but very recently it seems as though some organisations will be charged. We feel that charges were not laid against ECC, because the State would prefer to tackle ECC on a less technical issue. We are fairly confident that on a political level we could fairly easily win the case and that it would be very difficult for the State to secure a conviction on a financial level. Thus they would probably lose on the political terrain in the long run.
2. Secondly it was felt that our system of procuring funds from Church groups such as the SACC and SACLC, gave us a fair amount of protection from prosecution. Charging us would involve a confrontation with these bodies requiring of them to give evidence against us. Through discussions with representatives from the Churches it was clear that they would not co-operate with the State in this. The State probably realised this and wanted to avoid this kind of confrontation, which would make an ECC conviction even more difficult to win both in court and publically.

3. We came to the conclusion that the administration and procurement of funds has thus been well within legal bounds and that we can continue to administer our affairs in this vein.

Conclusion

One of the most serious problems we have had with regard to finances has been the lack of time available to those of us responsible. Last year I had a lot more time to devote to our financial affairs. I have not been able to live up to this this year. Adele and I have huddled along as best as possible under the circumstances, but given the range of difficulties we have faced it has resulted in us not being able to give enough attention to the various issues. We need a much more systematic approach to the procurement, budgetting, administration and the legal/political issues around our financial affairs.

RECOMMENDATIONS

1. Local fundraising

As we are expected to find R 113 000 of a R 436 490 budget we need to exploit all opportunities. In the past media sales was an important area of raising money. We must try and revitalise this area. All active members should pay a membership fee. Associate membership should be pushed as much as possible, because this is an area that we can exploit financially. Our VIP's and other donors also need to be approached. We must remember that everything costs money and therefore things like our newsletters could be sold to try and recover the costs of production. We need to look for every gap for our constituency to try support us.

2. Budgetting

Every region must produce a budget every three months. This must be done with absolute discipline, otherwise it will not work. One cannot work out the financial needs if only seven regions fill out a form. The deadlines for the return of the budget forms should be as follows:

- for the period 1 January to 31 March the deadline be 1 November
- for the period 1 April to 30 June the deadline be 1 February.
- for the period 1 July to 30 September the deadline be 1 May.
- for the period 1 October to 31 December the deadline be 1 November.

Thus the national treasurer will have ample time to see what the requirements will be, and where the money will come from. Also the region will be able to be well informed as to whether the money is available or not, and therefore

whether they must find more money themselves. The budget will also include a statement from the regions about how they are going to raise money and how much they will raise. These budgets must be strictly adhered to, in that if a region states that they will raise R 10 000, then they must ensure that they reach that target. (I have attached a suggested budget format).

3. Special Projects

Many of projects could be self-funding in that some institutions would gladly support our work but are restricted by their own donors because of the nature of our work. There are some projects however, such as WJP types that we could easily get funding for. Regions should exploit these possibilities themselves, but always inform the national treasurer, so that that person has an overall perspective of where we do and have received monies. If a region does not have any ideas and they do want to embark on a WJP project, they should write down a brief description and breakdown of expenses (1 page), and send that to the National treasurer who can then try and exploit his/her contacts, and do a full proposal for an appropriate donor.

4. Part-time employee

Part of our problem this year, has been the lack of time available for the work required. In order for the budgetting, procurement (including special WJP type applications), disbursement, overseeing of the legal/political questions relating to finances, and the upkeep of a full set of financial records (cashbook, ledger, journal, etc), I would strongly recommend that the national secretary spend half of his/her time seeing to these questions. I think this should be stipulated in the job description, so that we can ensure that the person is looking for all the gaps. This person could also make sure that regions are looking at local funding in an ongoing way.

5. Friends of ECC

It has been suggested that we launch such a fund. This would be an additional task for the part - time financial officer.

6. Financial workshop

Such a workshop be held as soon as the new financial system is operating to train local treasurers in the handling of finances and more importantly to examine the question of local fundraising.

7. Bye-laws

In order for all to be clear as to how the system operate, the new system be written up clearly and concisly and be written into the Constitution in the form of financial bye-laws.

Stephen Lowry January 1988

Collection Number: AG1977

END CONSCRIPTION CAMPAIGN (ECC)

PUBLISHER:

Publisher:- Historical Papers Research Archive

Location:- Johannesburg

©2013

LEGAL NOTICES:

Copyright Notice: All materials on the Historical Papers website are protected by South African copyright law and may not be reproduced, distributed, transmitted, displayed, or otherwise published in any format, without the prior written permission of the copyright owner.

Disclaimer and Terms of Use: Provided that you maintain all copyright and other notices contained therein, you may download material (one machine readable copy and one print copy per page) for your personal and/or educational non-commercial use only.

People using these records relating to the archives of Historical Papers, The Library, University of the Witwatersrand, Johannesburg, are reminded that such records sometimes contain material which is uncorroborated, inaccurate, distorted or untrue. While these digital records are true facsimiles of paper documents and the information contained herein is obtained from sources believed to be accurate and reliable, Historical Papers, University of the Witwatersrand has not independently verified their content. Consequently, the University is not responsible for any errors or omissions and excludes any and all liability for any errors in or omissions from the information on the website or any related information on third party websites accessible from this website.

This document is part of a collection held at the Historical Papers Research Archive at The University of the Witwatersrand, Johannesburg, South Africa.