

Introduction

This report is all about getting all in ECC to take responsibility for the financial affairs of the organisation. 1987 has been in a number of different ways a bit of a headache as far as our finances are concerned. This report discusses some of those issues and ends with a few proposals concerning those issues.

The 1987 Budget

The Budget proposal for 1987 was drawn up some three months after the Emergency was declared in June 1986. At the time there was a lot of talk within ECC circles that we were about to go under. As a result the Budget application was fairly conservative in estimating the costs of ECC for 1987.

As the new year opened it became obvious, certainly from a financial perspective, that ECC would have more space than previously conceptualised. As a result by June we had reached our expected expenditure for the entire year. An interim budget was then drawn up and attempts were made to acquire the necessary donations. This was fairly successful although loans had to be sought with a number of different supporters. This means that we are operating on a deficit in that we are in debt to the tune of R 40 000. This does not include any of the regional debts that we have picked up along the way.

Budgeting and Bookkeeping

This situation was aggravated by the fact that there is no systematic budgeting 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 20 000. We didn't 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 colonel was appointed to investigate and he proceeded to meet with all signatories of the 1985 and 1986 accounts. 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 widespread 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 SACD and SACOC, 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 politically.

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 bumbled 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. *August.*
- for the period 1 ~~October~~ ^{Aug} 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

Every region must also send their books on 15th of every month to nat. treasurer.

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.

Stephen Lowry 19 October 1987

*6. Friends of FCC - launch.
Assoc. memb. drive.
Focus a nat.*

BUDGET APPLICATION FORM

Date of submission: _____

Region: _____

For the period: _____ to _____.

Details and amounts to be raised by the region	Details and amounts requested	Amount granted
Balance B/F	Travel: local	
Media Sales: Newsletter	national	
Subs: active	Admin: Phones	
associate	postage	
other	photostating	
Public events	office	
Other (specify)	stationary	
	other	
	Media: newsletters	
	T-shirts	
	pamphlets	
	banners	
	postage	
	advertisements	
	stickers	
	other	
	Legal Consultations	
	Concerts (not including media)	
	Other (specify)	
TOTALS		
EXPENDITURE OVER INCOME (deficit)	TOTAL TO BE GRANTED	

Submitted by: _____

Accepted by: 1. _____

2. Authorised by (chair): _____

2. _____

Collection Number: AG1977

END CONSCRIPTION CAMPAIGN (ECC)

PUBLISHER:

Publisher:- Historical Papers Research Archive

Location:- Johannesburg

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