

Further Registrations - NPO, PBO and UIF



During the Registration Process, you will need to register with the Department of Labour for UIF, the South African Revenue Service as a PBO for Tax Exemption and as a Non-Profit Organisation (advisable but not required).

- **Registration as a Non-Profit Organisation (NPO) with the NPO Directorate, in the Department of Social Development**

ECD facilities are encouraged by the Department of Social Development to register as NPOs and adhere to the requirements of such an organisation. **Important: If you are wanting to access the subsidy for your ECD centre, you will need to register as an NPO.**

In order to register as an NPO (so that you can access the subsidy), you will first need to register as a Non-Profit Company, a Trust or a Voluntary Association. Most ECD centres prefer to register as a Voluntary Association. For further clarification, please follow this link: <https://ngolawsa.co.za/the-basics/>.

NPO status entails the following:

- The centre must have adopted a constitution (if you are a Voluntary Association), a Memorandum of Incorporation (if you are a NPC), or a Trust Deed (if you are a Trust), which are legal documents that governs the centre's activities;
- The centre must have a functioning governing body; and
- The centre must submit audited financial statements and a narrative report to the NPO Directorate annually.

You can see further information, find the **application form** and register by following this link:

<https://www.westerncape.gov.za/service/non-profit-organisations-registration-and-funding>

- **Registration with the Department of Labour – UIF**

All workers working for more than 24 hours a month must contribute to the Unemployment Insurance Fund (UIF). It is the responsibility of the employer to deduct the employees' contribution from his or her salary and pay it to the Fund, together with the employer's 1%.

All ECD facilities must register as employers as well as register their employees with the Fund. The UIF benefits ECD facilities mostly in the instance of maternity leave - ECD centres are typically not in a financial position to employ an additional staff member in the place of another who is on paid maternity leave.

Follow this link to register: <https://www.ufiling.co.za/uif/terms-and-conditions>

- **Registration with the South African Revenue Service – Tax Exemption as a PBO**

Many ECD NPO's believe that once they are registered as NPOs they automatically do not need to pay tax. However, this is not the case, as ECD centres need to obtain tax clearances or tax exemptions from the South African Revenue Services. NPOs should apply to SARS for tax exemption as a Public Benefit Organisation (PBO).

Applications need to be made at your nearest SARS branch. Follow this link to download the forms and see what supporting documents are required:

<https://www.sars.gov.za/ClientSegments/Businesses/TEO/Pages/Tax-Exemptions-and-PBOs.aspx>

- **ECD centres are also encouraged to register with the local ECD forum in their area.**