

File no.: 26/3/5  
Reference: 20230725-6684

Management Accounting Minute: 0002/2023

To: Deputy Directors-General, Chief Directors, Directors, Circuit Managers, Heads: Management and Governance, Deputy Directors and Principals and governing body chairpersons of public schools

**Subject: Additional information required in terms of section 18A(2)(a)(VII) of the Income Tax Act**

1. This minute should be read in conjunction with *Government Gazette* No. 48104 of 24 February 2023, Financial Accounting Minute 0004/2019, dated 31 October 2019, Financial Accounting Minute 0003/2023, dated 31 March 2023, Circular 0012/2020, dated 10 March 2020, and the *Basic Financial Manual for Schools*.
2. The South African Revenue Service (SARS) has, in accordance with section 18A(2)(a)(vii) of the Income Tax Act, 1962 (Act 58 of 1962), and Notice No. 3082 published in *Government Gazette* 48014, issued additional requirements.
3. In terms of section 18A of the Income Tax Act, as amended by the Ninth Schedule of the Income Tax Act, 2002 (Act 30 of 2002), SARS has granted approval for the group registration of all public schools and institutions forming part of the Western Cape Education Department to issue receipts to donors. The reference number issued to all public schools and institutions in the Western Cape for this purpose will be 930000372.
4. In terms of the notice, the following additional information must be included on a receipt issued in terms of section 18A(2)(a) of the Income Tax Act:
  - 4.1 Donor nature of person (natural person, company, trust, etc.);
  - 4.2 Donor identification type and country of issue (in case of a natural person);
  - 4.3 Identification or registration number of the donor;
  - 4.4 Income tax reference number of the donor (if available);
  - 4.5 Contact number of the donor;
  - 4.6 Electronic mail address of the donor;
  - 4.7 A unique receipt number; and
  - 4.8 Trading name of the donor (if different from the registered name).

5. This means that all section 18A receipts, effective from 01 March 2023, will need to contain the additional information stipulated (examples attached).
6. The collection of this enhanced information will ensure donor taxpayers claim a deduction for donations made only to a public benefit organisation, institution, board or body, agency, programme, fund, High Commissioner, office, entity or organisation or a department of government approved by the SARS for purposes of section 18A.
7. As an interim measure, all educational institutions must account for and issue section 18A receipts for all donations received from donors in the issued receipt books. The required additional documents which must be completed in triplicate, as stipulated in this minute, are:
  - 7.1 Annexure A (if the donor is a natural person) or
  - 7.2 Annexure B (if the donor is not a natural person, i.e. company, close corporation, trust, partnership, government institution, etc.)
8. The original receipt and Annexure A/B must be given to the donor. The annual return template and first copies of Annexure A/B and the receipt must be sent to the district office. Copies of the annexures should be kept for auditing purposes.
9. All educational institutions receiving donations are required to keep record of all the details of the section 18A receipts issued. This information will be required for the annual reporting to SARS.
10. The capturing of the donation receipts data will be automated, and schools will be required to capture the information onto CEMIS once the system has incorporated this functionality. This will be compliant with the requirements from SARS.
11. In terms of the annual reporting concerning the issuing of section 18A receipts for the tax year 01 March to 28 February, an amended annual return template will be distributed via your district office.
12. The district office must check the completeness and accuracy of the annual returns submitted. All annual returns per district office must be collated and submitted electronically to the Directorate: Management Accounting, Head Office, by 30 April.
13. Kindly bring the contents of this minute to the attention of all concerned parties.

**SIGNED:** LJ ELY

**DEPUTY DIRECTOR GENERAL: CORPORATE SERVICES**

**DATE:** 2023-10-30