



GUIDELINES FOR UNRESTRICTED GRANTS

PRINCIPLES OF COLLABORATION DURING THE COVID-19 PANDEMIC

1. The [national compact of principles of collaboration](#) between education non-profit organisations (NPOs) and counterparts in South Africa during the COVID-19 pandemic was finalised on 24 March 2020. The development of the compact involved a wide range of NPOs and has since been distributed and is increasingly being referenced in the sector.
2. A key action from the national compact was to **develop a set of guidelines for the utilisation of unrestricted grants during the COVID-19 pandemic**. This one-pager provides these guidelines and we encourage local and international philanthropy, local and international corporate social investors, and private business to support us by applying these principles within reason.
3. Types of restricted funds¹:
 - **Temporarily restricted:** donors sometimes impose time-limited restrictions. Time-restricted means that the donation can be used for a particular purpose for a specified period, or it must support a specific program or campaign. When the time is up, or the project is done, the funds become unrestricted or stopped. Examples include a grant, graduation of a scholarship recipient, or the completion of a building project.
 - **Permanently restricted:** permanently restricted funds never expire. Usually, this means that the NPO invests the gift and then uses the interest and investment returns in perpetuity. Permanently restricted funds often go into an endowment that supports a particular activity or the organization in general.
4. In both cases, an NPO must keep track of the grant expenditure and report it appropriately in its financial statements.
5. NASCEE calls on NPO grantees and grantors to follow the **guidelines as set out below**:
 - **Grantors:** (1) consider which existing temporarily and permanently restricted grants are well positioned for the restrictions to be reduced to support COVID-19-related activities; (2) introduce new grants, individually or in combined, to specifically provide operational and sustainability funding to NPOs during and directly after the COVID-19 pandemic; follow the expanded guidelines that are set by philanthropy/funder networks, such as the [Independent Philanthropy Association South Africa \(IPASA\)](#), the [African Venture Philanthropy Alliance \(AVPA\)](#) and [Dialogue](#).
 - **NPOs (grantees):** (1) approach grantors to indicate unspent funds and also potential opportunities within existing grants that could be utilised to support COVID-19-related activities; (2) ensure that the scope of work is agreed before the grant is utilised, and keep an accurate record of all expenditure.
 - **Grantors and NPOs:** collaborate in an accountable manner that will benefit the most needy in an agile and swift process.

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NASCEE Board

¹ <https://www.thebalancesmb.com/restricted-unrestricted-nonprofit-funds-2502167> [with some minor adaptations]