



CONSTITUTION OF THE AMAHLATHI RESIDENTS ASSOCIATION

(The Constitution) – 28 November 2018

Table of Contents:

1.	NAME	3
2.	OBJECTIVES.....	3
3.	LEGAL PERSONA.....	3
4.	PUBLIC BENEFIT ORGANISATION REQUIREMENTS.....	4
5.	MEMBERSHIP	4
6.	MANAGEMENT COMMITTEE	5
7.	ANNUAL GENERAL MEETING (AGM)	6
8.	SPECIAL MEETINGS.....	6
9.	MEETINGS OF MANAGEMENT COMMITTEE	7
10.	FINANCES	7
11.	AMENDMENTS TO THE CONSTITUTION.....	8
12.	NOTIFICATIONS	8
13.	DISSOLUTION	8
14.	AMALHATHI/STUTTERHEIM RESIDENT	8
15.	ANNEXURE A.....	9
16.	ANNEXURE B.....	10
17.	ANNEXURE C.....	11

1. NAME

- 1.1. The name of the Association is the AMAHLATHI RESIDENTS ASSOCIATION (ARA), hereafter referred to as the Association.

2. OBJECTIVES

The association is a non-political organisation with the following objectives, to:

- 2.1. Protect and advance the WELFARE and HUMANITARIAN interests of all the ratepayers and residents, through the promotion and advocacy of human rights and democracy;
- 2.2. Act as a mouthpiece for members' views to the relevant authority;
- 2.3. Identify problem areas and focal points and to address these in the interests of its members;
- 2.4. Interact with the Amahlathi Municipality, the Amathole District Municipality and other local , regional and national authorities in order to share information and to act in the interests of its members and to address representations (on behalf of its members) about the basis, range and justification of tariffs of property taxation, service fees, water, electricity and other municipal services;
- 2.5. Create the necessary structures in order to act legally;
- 2.6. Take any necessary steps to ensure continued service delivery by the relevant authorities;
- 2.7. Acquire funds in the interest of the Association for the execution of the aforementioned objectives;
- 2.8. To actively pursuing the resolution of service delivery issues as listed in **ANNEXURE C** of this documents, which may be amended from time to time by the Management Committee ; and
- 2.9. Affiliate or disaffiliate with any organisation in the interest if the Association.

3. LEGAL PERSONA

- 3.1. The Association comes into being on the date on the Interim Management Committee (Founding members) sign this constitution.
- 3.2. The Association is a legal persona operating in its own name, which can litigate and against whom can be litigated in its own name and which can continue to exist, regardless of changes in its membership and its Management Committee.
- 3.3. Members are not responsible for the liabilities of the Association and liability of members is restricted to payment of membership fees.
- 3.4. The Association will operate as a public benefit organisation (PBO) with a non-profit objective, all income will be utilised for the furtherance of the objectives of the Association. The management committee is also responsible to register the Association with the relevant authorities as a PBO.
- 3.5. Thus the Association has juristic capacity and contractual competence, which competence is exercised by the Management Committee on behalf of the Association (see clause 5).
- 3.6. All assets owned by the Association, which include funds, minute-books, furniture and other moveable property remain the property of the Association at all times and shall be used by the Management Committee for the benefit of the Association.

4. PUBLIC BENEFIT ORGANISATION REQUIREMENTS

- 4.1. The sole or principal object of the PBO is to carry on one or more public benefit activity (PBA), in a non-profit manner and with an altruistic or philanthropic intent.
- 4.2. No PBA will directly or indirectly promote the economic self-interest of any fiduciary or employee of the PBO, otherwise than by way of reasonable remuneration payable to that fiduciary or employee.
- 4.3. All PBAs carried on by the PBO will be for the benefit of, or widely accessible to, the general public at large, including any sector thereof other than small and exclusive groups.
- 4.4. At least three persons who accept fiduciary responsibility for the PBO will not be connected persons in relation to each other and no single person will directly or indirectly control the decision-making powers relating to the PBO.
- 4.5. No funds will be directly or indirectly distributed to any person, otherwise than in the course of undertaking any PBA.
- 4.6. All funds will be used solely for the object for which the PBO has been established.
- 4.7. On dissolution the remaining assets will be transferred to any PBO, any institution, board or body which has as its sole or principal object the carrying on of any PBA, the government of the Republic in the national, provincial or local sphere, or the National Finance Housing Corporation, which are required to use those assets solely for purposes of carrying on one or more PBA listed in the Ninth Schedule.
- 4.8. No donation will be accepted which is revocable at the instance of the donor for reasons other than a material failure to conform to the designated purposes and conditions of such donation, including any misrepresentation with regard to the tax deductibility thereof under section 18A: Provided that a donor (other than a donor which is an approved PBO or an institution board or body, which has as its sole or principal object the carrying on of any PBA) may not impose conditions which could enable such donor or any connected person in relation to such donor to derive some direct or indirect benefit from the application of such donation.
- 4.9. A copy of any amendment to the constitution, will, or other written instrument under which the PBO is established will be submitted to the Commissioner for the South African Revenue Service (SARS).
- 4.10. The PBO will not knowingly be a party to, or will not knowingly permit, or has not knowingly permitted, itself to be used as part of any transaction, operation or scheme of which the sole or main purpose is or was the reduction, postponement or avoidance of liability for any tax, duty or levy which, but for such transaction, operation or scheme, would have been or would have become payable by any person under this Act or any other Act administered by the Commissioner for the SARS.
- 4.11. No remuneration, will be paid to any employee, office bearer, member or other person which is excessive, having regard to what is generally considered reasonable in the sector and in relation to the service rendered and has not and will not economically benefit any person in a manner which is not consistent with the objects of the PBO.
- 4.12. The PBO will comply with reporting requirements as may be determined by the Commissioner for the SARS.
- 4.13. No resources will be used directly or indirectly to support, advance or oppose any political party.
- 4.14. A PBO which provides funds to any association of persons contemplated in Part I of the Ninth Schedule must take reasonable steps to ensure that the funds are used for purposes for which it was provided, namely to carry on one or more PBA listed in Part I of the Ninth Schedule, in the Republic.

5. MEMBERSHIP

- 5.1. The founding members of the Association are the persons whose names, particulars and signatures appear on **ANNEXURE A**, after payment of membership fees.
- 5.2. Additional members are admitted after signing a membership application, paying a joining fee and complying with the requirements of the Constitution and with the requirements determined from time to time by the Management Committee.
- 5.3. A member must be a resident in the Amahlathi Municipal Area or own property or a business in the Amahlathi Municipal Area.
- 5.4. The joining fee amounts to R20.00 (Twenty Rand) and is payable with application for membership. This amount may be amended at an annual general meeting.

- 5.5. Membership of the Association is subject to the condition that the Management Committee may request proof that the applicant is a resident of the Amahlathi Municipal Area, accompanied by an Identification Document or any other form of identity as required by the Committee.
- 5.6. In addition to the amount referred to in the above Clause 4.4, an annual membership fee of R240.00 (two hundred and forty rand) is payable on or before the date of an annual general meeting. This amount may be adjusted at an annual general meeting. The amount can be paid once off or per debit order in 12 instalments.
- 5.7. Membership may be terminated by a majority decision of the Management Committee, by non- payment of membership fees or agreed portion of it as referred to in clause 4.5 for a period of more than sixty (60) days, or by resignation.

6. MANAGEMENT COMMITTEE

- 6.1. Any person servicing as a member or co-opted member of the Management Committee must be a paid up member of the ADA. This clause excludes service providers.
- 6.2. No employee or political office bearer of the Amahlathi Local Municipality or Amathole District Municipality.
- 6.3. A Management Committee member must be eligible to serve as director of the ADA in terms of the Companies Act 71 of 2008 as amended from time to time.
- 6.4. The first Management Committee (Interim Management Committee) consists of the signatories of this Constitution who shall select an interim Chairman, Vice Chairman and a Secretary from their ranks.
- 6.5. This Interim Management Committee must convene an Annual General Meeting of all members within four (4) weeks of establishing the interim management committee where a new Management Committee will be elected consisting of:
 - a) Chairman
 - b) Vice Chairman
 - c) Secretary
 - d) Vice Secretary
 - e) Treasurer and
 - f) Vice Treasurer.
- 6.6. The officials elected at the meeting referred to in the above-mentioned Clause 5.5, (called the first Annual General Meeting) will fill their positions until the following Annual General Meeting (AGM), when a new Management Committee will be chosen, on the understanding that the existing officials may be re-elected.
- 6.7. The term of office of a member of the Management Committee lapses or expires if;
 - a) he/she resigns;
 - b) he/she is sequestrated or declared insolvent;
 - c) he/she would be disqualified to function as a Director of a Company, in terms of relevant and applicable legislation;
 - d) he/she are more than sixty (60) days behind in paying applicable membership fees.
 - e) a decision to this effect taken by at least five (5) members of the Committee.
- 6.8. Should the office of a member of the Committee be terminated or vacated, the Committee will have the authority to co-opt another member in that position. The Committee may also co-opt an additional member at anytime.
- 6.9. No member or Management Committee member will be entitled to any form of remuneration or direct benefit from association funding or activities, other than reasonable compensation for substance and travel based on actual cost incurred and approved by a minimum of three other Management Committee members.
- 6.10. The Association has by its Management Committee, or by means of a decision at an AGM, the power and the competence required to execute the aims of the Constitution.
- 6.11. Such power and competence will include, but not be confined to the power and competence as set out in **ANNEXURE B**, which may be amended at an AGM, based on a simple majority.

- 6.12. The Committee may delegate any of its powers or competences to one or more of its members, or to a special sub-committee appointed by the Management Committee and may also use the Professional services of persons and/or legal entities who are not members of the Association.
- 6.13. On the recommendation of the Committee, members may decide at members' meetings to create various committees in order to examine the problems or requirements of specific interest groups and to report back to the Committee and to members' meetings.

7. ANNUAL GENERAL MEETING (AGM)

- 7.1. The AGM shall be held, no later than 30 November of each year and shall be convened by the Chairman after no fewer than fourteen (14) days notice has been given to each member who is entitled to attend the meeting.
- 7.2. The notice will indicate the date, time and place of the AGM, and may or may not necessarily include an Agenda for the meeting.
- 7.3. Business transacted at the AGM will include:
 - a) the Annual Report by the Chairman shall be submitted for acceptance;
 - b) submission and acceptance of Annual Financial Statements (if applicable);
 - c) the election of the Management Committee;
 - d) the auditors/accounting officials for the ensuing financial year will be appointed;
 - e) consideration of any written suggestions;
 - f) any other matter which, according to the judgement of the Chairman or the members present, may be of importance.
- 7.4. A quorum at an AGM shall consist of 20 members or a quarter of the number of members, whichever is the lowest number.
- 7.5. Should a quorum not be present at an AGM, such a meeting shall be adjourned until a date at least seven (7) days after the scheduled date. Notice of such a postponement shall be given to all members, no fewer than five (5) days prior to such a postponed date. The number of members present at the postponed meeting shall be considered a legal quorum.
- 7.6. In the event where an AGM cannot be convened due to security reasons or any other reason that does not make it possible for members to physically meet, a meeting can be held by electronic means (i.e. Skype or WhatsApp). The election will be based on number of nominations received, with the 6 members that receives the majority of nominations being elected.
- 7.7. A decision in connection with a proposal or a motion at a meeting shall be determined by a majority of votes. Each member shall have one vote, while the Chairman shall also have a casting vote.
- 7.8. Voting shall take place by means of a show of hands, whereas it shall be by means of a ballot-paper should the Chairman thus decide or should it be requested by at least one third (1/3) of the members present.
- 7.9. A member may also be represented by a proxy, provided such a person has his/her written consent.
- 7.10. Correct minutes shall be kept at each AGM and a register shall be kept of all members present. The minutes shall be signed by the Chairman and shall be send out to all members by the Secretary.
- 7.11. Nominations for members of the Management Committee as mentioned in clauses 5.2 and 6.3 (c) (with the necessary seconders) shall be in writing and shall be handed to the Chairman or a Nominated Address one (1) day before the AGM.

8. SPECIAL MEETINGS

- 8.1. The Chairman may convene other meetings with members at any time and such a meeting must be convened at the request of at least ten (10) members.
- 8.2. Should the Chairman fail to convene a meeting within a reasonable time after such a request, the persons who requested the meeting shall be entitled to convene the meeting.
- 8.3. The stipulations of Clause 6 of the Constitution also apply to any meeting held under this clause.

9. MEETINGS OF MANAGEMENT COMMITTEE

- 9.1. The Chairman shall convene a meeting of the Management Committee at least once every four (4) months and must also convene a meeting if requested by at least two (2) members of the Management Committee.
- 9.2. The quorum for a meeting of the Management Committee shall be four (4) members.
- 9.3. The procedure at Management Committee meetings shall be determined by the Chairman. Meetings may also take the form of telephone conferences.
- 9.4. In the absence of the Chairman his duties shall be assumed by the Vice Chairman. Should the latter also be absent, the remaining members shall choose a Chairman.
- 9.5. Decisions shall be taken by majority vote. The Chairman has an ordinary as well as a casting vote.
- 9.6. The stipulations of Clause 6.9 shall also apply to meetings of the Management Committee.
- 9.7. A decision signed by the majority of the Management Committee shall be as valid as one taken at a Committee meeting.

10. FINANCES

- 10.1. The Management Committee shall open a bank account in the name of the Association at a recognised financial institution. At the discretion of the Management Committee more than one account may be opened, whether a current account, a savings account or a fixed deposit account.
- 10.2. The Management Committee must ensure that all monies received by the Association must be deposited as soon as possible in one of the above-mentioned accounts.
- 10.3. The Management Committee may after getting approval at an AGM or Special Meeting introduce a special levy on members for the purpose of funding an approved project in full or in part.
- 10.4. All agreements or other documents to be signed by the Association, must be signed by two of the following officials: the Chairman, Vice Chairman, Secretary or Treasurer.
- 10.5. The first financial period shall extend from the signing of the Constitution, according to Clause 3.1 until end of February 2020. Thereafter the financial year of the Association shall extend until the last day of February of every following year.
- 10.6. The Management Committee must ensure correct bookkeeping in order to reflect the business of the Association.
- 10.7. The Treasurer must see to it that financial statements are completed every year, according to recognized accounting principles. These statements shall include a statement of income and expenditure as well as a balance-sheet.
- 10.8. Within three (3) months of the end of the Association's financial year the financial statements must be examined by an accountant and certified as correct and in accordance with recognized accounting principles. Such a person shall be appointed at an AGM and may be a member of the Association or another person. Should such an official not be appointed at the AGM, the Management Committee shall be entitled to make the appointment.
- 10.9. The Chairman shall draw up an annual report to be presented at the AGM. The annual report must describe the activities of the past year as well as the prospects for the ensuing year.

11. AMENDMENTS TO THE CONSTITUTION

- 11.1. The Constitution may be amended by a decision taken at the AGM or at a meeting convened specifically for this purpose.
- 11.2. Notification of the proposed amendment must be submitted in writing and signed by at least three members.
- 11.3. Notification of the proposed amendment as well as notification of the relevant meeting must be given to the members of the Association.
- 11.4. The members who submitted this notification must be present at the relevant meeting. Should these members not be present, the proposal shall fall away.
- 11.5. The Constitution may be amended only if the proposal of an amendment is accepted by a two-thirds (2/3) majority of the members present at the meeting. This does not apply to ANNEXURE B & C.

12. NOTIFICATIONS

- 12.1. Notifications to be sent to a member, according to the Constitution, shall be sent by SMS, WhatsApp, public notices in town, e-mail or announcement in a local newspaper.
- 12.2. A member may arrange alternative procedure of receipt of notification with the Secretary, at his/her own cost.

13. DISSOLUTION

- 13.1. The Association may be dissolved by means of a decision at the AGM, provided that proper notification of such a decision is given. If such a meeting cannot be convened, the Management Committee may dissolve the Association by means of a decision.
- 13.2. At the dissolution of the Association the assets of the Association shall not be divided amongst the members, but shall be transferred by means of a donation to an Association with similar objectives, as decided by the Management Committee.

14. AMALHATHI/STUTTERHEIM RESIDENT

- 14.1. The word "resident" means a person (natural person, legal entity, trust or partnership) who pays property tax to the Amalhathi Municipality and/or Amathole District Municipality or who physically lives in Stutterheim regardless if he/she own property or not.
- 14.2. The word "Stutterheim" includes all wards of the Amahlathi Municipality.

15. ANNEXURE A

NAME	SIGNATURE	DATE

16. ANNEXURE B

The powers and competencies of the Association as referred to in Clause 5.7 of the Constitution are as follows:

1. To appoint personnel and to make use of professional and/or other services.
2. To institute or to defend legal procedures and to be generally involved in legal action, to appeal against any decision, to settle any case by means of arbitration or otherwise.
3. To open and manage accounts with registered banks.
4. To invest or re-invest funds at financial institutions.
5. To accept and keep donations in the form in which they are received or to convert them into cash with the right to use or to invest the proceeds.
6. To acquire moveable or fixed property by means of purchase or otherwise, and to sell, dispose of or to mortgage the same.
7. To contract loans against security or otherwise.
8. To co-operate with other institutions with similar objectives and /or to amalgamate, merge or affiliate with such institutions.
9. To exercise all Management and Executive duties as normally exercised by the Management of a company.

17. ANNEXURE C

List of Issues reported by residents:

Issue Number	Date Reported	Category	Description & Action Required	Resolution Date
ANA0001				
ANA0002				
ANA0003				
ANA0004				
ANA0005				
ANA0006				
ANA0007				
ANA0008				
ANA0009				
ANA0010				
ANA0011				
ANA0012				
ANA0013				
ANA0014				
ANA0015				
ANA0016				
ANA0017				
ANA0018				
ANA0019				
ANA0020				