

Please note the following when completing your budget:

General comments before you start:

- On Form 2 only enter amounts in the yellow cells. All other cells are locked.
- Budget amounts exclude VAT
- Total Income (how the budget is funded) will always match Total Expenditure and MUST be reflected as a credit (negative value).
- The 3% Provision for Bad Debt is calculated automatically.
- If you feel you need to add an expenditure line item, contact us first.

When completing the budget:

INCOME

Only budget for income that the CID is guaranteed to receive and which will be used to help fund the expenditure budget Note: Interest earned during the financial year cannot be used.

The main source of revenue will be the additional property rates billed by the City which will be paid over on a monthly basis to the NPC.

Surplus funds may be used to fund projects or purchase assets. When purchasing assets, please consider the impact on Depreciation, Insurance and Repairs & Maintenance for future years as these items cannot be funded from surplus funds.

EXPENDITURE

Employee related:

Only reflect budget amounts in this category when the CID plans to make staff appointments, deduct UIF, tax, etc. and provide the employee annually with an IRP5.

Salaries and Wages:

Annual remuneration of permanent staff. Annual remuneration refers to basic salary as per IRP5 excluding PAYE, UIF, allowances, benefits, performance and other bonuses and service related awards. (Net Salary)

PAYE:

Tax payments to SARS on a monthly basis.

UIF:

Employer contributions to Unemployment Insurance Fund - <http://www.sars.gov.za/TaxTypes/UIF/Pages/default.aspx> - Refer to the item: "How much do you need to pay".

SDL:

A Skills Development Levy imposed to encourage learning and development in South Africa and is determined by an employer's salary bill. The funds are to be used to develop and improve skills of employees.

COIDA

Compensation for Occupational Injuries and Diseases Act - To provide for compensation for disablement caused by occupational injuries or diseases sustained or contracted by employees in the course of their employment, or for death resulting from such injuries or diseases; and to provide for matters connected therewith **(as a guide use R0.20 per R100)**

Bonus:

Additional compensation paid/accrued to an employee or department as a reward for achieving specific goals or attaining predetermined targets. A performance bonus is compensation beyond normal wages and is typically awarded after a performance appraisal and analysis of projects completed by the employee over a specific period of time. Included in this account is any other form of bonus given to employees.

Bonuses can only be paid to employees and not to a Management Company .

General note iro Employee Related: If the CID plans to outsource the management of the company, the costs should be budgeted for in General Expenditure under "Administration and management".

Core Business:

This is the reason for the CID's existence and the budgeted amounts should reflect the business plan's focus:

Cleansing services:

Supplementary cleansing service provided in the CID. Contracted out.

If the service is performed by the CID's own employees the cost would be budgeted for under Employee Related.

Environmental upgrading:

This covers all greening Initiatives e.g. recycling, landscaping, water saving, bush clearing, removal of alien vegetation, parks, etc.

Law Enforcement Officers:

Contracting of City Law Enforcement Officers.

Public Safety:

Outsourcing of top up public safety by contracting a private security company.

Public Safety - CCTV monitoring:

When the CCTV monitoring is performed by an independent company.

Public Safety - CCTV - Leasing of cameras:

When cameras are not purchased by the CID but leased from a service provider. Benefits include no budgeting for Insurance, Depreciation or Repairs and Maintenance etc. and all the risks reside with the service provider.

Social upliftment:

Dealing with social issues such as street people, prostitution, drug abuse through NGOs or own initiatives.

Urban Maintenance:

Minor maintenance of City infrastructure (partially or fully funded by the CID) e.g. replacement of a street sign pole, painting of electrical boxes, road markings, etc. Must first engage with City departments. Removal of graffiti, illegal posters and stickers.

Depreciation (See worksheet for depreciation calculation):

Depreciation is the systematic allocation of the cost of an asset from the Statement of Financial Position to Depreciation Expense on the Statement of Financial Performance over the useful life of the asset.

All assets (property, plant and equipment - PPE) must have budgeted depreciation taking into account that assets will only start depreciating when they become operational. Depreciation must also be budgeted for all existing assets as recorded in the Annual Financial Statements. Depreciation must be realistic and in line with the assets useful life.

Assets donated to the CID also attract depreciation.

Please consult with the CID's accountant for accurate depreciation figures to be recorded monthly to ensure it corresponds with what is recorded in the Annual Financial Statements.

Example:

CID plans to install CCTV cameras and therefore makes a budget provision of R100 000 in Year 1 of the 5 year budget.

CID's Accounting policy states that CCTV cameras have a useful life of 5 years.

Annual depreciation (Acquisition Value divided by the useful life) = R100 000 / 5 = R20 000

CID plans for the CCTV cameras to become operational in March which leave 3 months of depreciation to budget for in Year 1: R20 000 / 12 x 3 = R5 000

Year 2 = R20 000

Year 3 = R20 000

Year 4 = R20 000

Year 5 = R20 000

Year 6 = ~~R15 000~~

Acc Depr = R100 000

In year 3 the CID decides to extend the CCTV camera network with an additional R120 000. Depreciation = R120 000 / 5 = R24 000 per year.

CID plans for the additional CCTV cameras to become operational in December which leave 6 months of depreciation to budget for in year 1 of the asset but year 3 of the CID's 5 year budget: R24 000 / 12 x 6 = R12 000

Depreciation budget now looks like this:

Year 1: R5 000

Year 2: R20 000

Year 3: R20 000 + R12 000 = R32 000

Year 4: R20 000 + R24 000 = R44 000

Year 5: R20 000 + R24 000 = R44 000

Year 6: R15 000 + R24 000 = R39 000

Year 7: R24 000

Year 8: ~~R12 000~~

Acc Depr = R220 000

Note: The surplus funds generated through depreciation must be used for the replacement of those assets in the future.

Repairs and Maintenance:

This budget provision is for repairs and maintenance of all CID assets (or hired offices if contractually bound) and not for repairs and maintenance of City infrastructure or any other assets that don't belong to the CID.

Interest and Redemption:

If the CID plans to fund the purchasing of assets through a finance lease or any other long term loan, the interest and redemption is budgeted for in this category.

General Expenditure:

All other planned operating expenditure must be reflected in this category. Budget amounts must be broken down per line item and not shown as globular amounts. This improves transparency and allows for better reporting and oversight.

Accounting fees

Service provider performing the accounting functions of the CID up to and including the preparation of the Annual Financial Statements

Administration and management fees

Service provider performing the administrative and management functions of the CID

Advertising costs

All advertising costs e.g. Adverts for AGMs, public meetings etc.

Auditor's remuneration

Audit Company performing the audit of the Annual Financial Statements

Bank charges

Monthly bank charges relating to transactions in the CIDs bank account

Books, periodicals & subscriptions

The cost of subscriptions iro publications, newsletters, books and magazines for official use. Excludes subscriptions to Internet and Professional bodies. Include the purchase of reference and library books.

Catering & Food

Catering for official meetings

Cleaning costs

Cost incurred for cleaning services (Including cleaning of offices). This includes costs of relevant materials used in general cleaning tasks as well as all COVID related cleaning materials e.g. sanitiser, bleach, disinfectant etc. Note: Costs relating to protective gear, for example masks, gloves etc. should be recorded under Protective Clothing.

Communication

Cost incurred for printing and distribution of newsletters.

Computer expenses

For costs relating to software licences and software upgrade protection, internet connection, CID website and social media pages

Conferences & seminars - International

Fees paid for the attendance of international congresses/seminars/symposiums and workshops. Excludes accommodation and transport which must be allocated to travelling and subsistence

Conferences & seminars - National

Fees paid for the attendance of national congresses/seminars/symposiums and workshops. Excludes accommodation and transport which must be allocated to travelling and subsistence

Contingency / Sundry

For unforeseen expenses e.g. paying for ID documents of homeless people in the area or travel expenses iro reuniting people with their families.

Donations

Reserved for donations to organisations who provide a service in the CID area only

Insurance

This is a requirement and should also include public liability and indemnity insurance

Lease rental on equipment

Costs related to the leasing of equipment

Legal Services

Costs incurred relating to the instituting and/or opposing of any legal proceedings as may be required, inter alia, to comply with the CID Company's statutory and/or contractual obligations.

Marketing and promotions

For costs relating to the marketing and promoting of the CID e.g. printing of booklets, posters, agency fees etc.

Meeting expenses

Expenses for meetings held e.g. venue hire, equipment hire, etc. EXCLUDES Catering

Minor tools & equipment

For the purchasing of small plant and equipment e.g. spades, rakes, brooms, etc.

Motor vehicle expenses

Servicing of vehicles, tyres, incl. fuel costs e.g. paid to a garage

Office rental

Rent for use of office space

Office security

Cost incurred relating to safeguarding and access control of facilities, for example armed response provided by ADT, Chubb or other(s) and security services for example reception or motor entrances access

Postage & courier

The cost incurred iro of the distribution of post/parcels. Cost of stamps and franking machine usage. Rent of Private Bag and postal box. Folding of invoices. Also includes courier charges for parcels, plans etc.

Printing / stationery / photographic

The purchasing of stationery, cost of reproduction/printing externally. Photographic expenditure i.e. films, printing, videos, etc

Protective clothing

Uniform and Protective clothing purchased for issue to employees e.g. bibs, masks, gloves etc. (Not for the staff of service providers).

Rates and Service Accounts (only CCT)

Rates and Services due to the City iro municipal properties e.g. paying the City for pre-paid electricity.

Refreshments and Teas (previously Staff welfare)

Provision of refreshments, tea and coffee for staff and visitors to CID offices.

SARS - Income Tax

This line item is reserved for payments made to SARS iro income tax (excludes penalties and fines which will be dealt with iro the Finance Agreement iro Fruitless and Wasteful expenditure).

Interest, Fines and Penalties due to SARS will be deemed fruitless and wasteful expenditure. In order to pay these the CID must request the CID Department to create a new line item. This will require a motivation and approval from the board together with a reason/s for incurring this expenditure.

Secretarial duties

Making use of agency staff or outsourced staff for secretarial services. Costs relating to CIPC can also be recorded here. (e.g. annual returns, changes in directors, auditors, etc.)

Telecommunication

Payments for the use of telephones, faxes, telegraphs and telex for communication purposes, including costs for teleconferences. Payments include all costs for the usage of telecommunication line and related infrastructure.

Training

The cost of external training courses including training and development material, excluding bursaries.

Travel & subs - International

Expenditure on air transport for employees travelling internationally to attend conferences, meetings and other official purposes incl. refunds to employees for these purposes.

Travel & subs - National

Expenditure on employees travelling domestically with own transport to attend the CID Forum, conferences, meetings and other official purposes incl. refunds to employees for these purposes.

Utilities (not CCT)

Paid to a third party and not directly to the City e.g. Electricity, water, etc.

Projects:

All projects are budgeted for under this category. Projects have limited life spans with a start date and an end date. Creating a bulk provision for projects is not allowed. All projects must be specified separately to ensure implementation can be measured.

Capital Expenditure (PPE):

All property plant and equipment. If the CID plans to buy or build an asset during the financial year it must be budgeted for in this category. All capital expenditure(PPE) is part of the CID's Balance Sheet and will attract depreciation. See depreciation calculation worksheet for asset classes.

Note: When purchasing UPS / Inverters the batteries can be budgeted for under Projects as these need replacing within an undetermined period. The actual UPS / Inverter can however be capitalised and should therefore be depreciated over its useful life.

Provision for Bad Debt:

City retains 3% of the CID budget as a rolling bad debt reserve. This is calculated automatically and has no impact on the CID's ability to deliver services. Annually in September after the audit has been completed the arrears position is compared with the amount retained as a rolling bad debt reserve and if the provision exceeds the arrears, 75% of the difference may be refunded to the CID as additional income.

NOTE:Offsetting

In terms of General Recognised Accounting Practice – Standard 1 (GRAP 1) which was developed from the International Financial Reporting Standards (IFRS), no offsetting is allowed. Income must be recognised separately in the budget if it is going to be used for the funding of expenditure.

MUIZENBERG IMPROVEMENT DISTRICT

5 YEAR BUDGET AS PER BUSINESS PLAN

	2025/26	2026/27	2027/28	2028/29	2029/30
	R	R	R	R	R
INCOME					
Income from Additional Rates	-4,264,000 90.4%	-4,562,480 100.0%	-4,790,605 100.0%	-5,030,135 100.0%	-5,281,640 100.0%
Other: Accumulated Surplus	-455,000 9.6%				
TOTAL INCOME	-4,719,000 100.0%	-4,562,480 100.0%	-4,790,605 100.0%	-5,030,135 100.0%	-5,281,640 100.0%
EXPENDITURE					
Employee Related	1,035,240 21.9%	1,107,705 24.3%	1,185,250 24.7%	1,268,231 25.2%	1,357,006 25.7%
Salaries and Wages	826,740	884,610	946,535	1,012,796	1,083,690
PAYE, UIF & SDL	122,000	130,540	139,680	149,460	159,920
COIDA	10,000	10,700	11,450	12,255	13,116
Bonus	76,500	81,855	87,585	93,720	100,280
Core Business	2,350,950 49.8%	2,525,710 55.4%	2,713,555 56.6%	2,915,505 58.0%	3,133,245 59.3%
Cleansing services	35,000	37,100	39,350	41,750	44,500
Environmental upgrading	57,000	60,500	64,150	68,000	72,500
Law Enforcement Officers / Traffic Wardens	530,750	567,905	607,660	650,200	695,710
Public Safety	1,325,150	1,430,955	1,545,235	1,668,645	1,801,935
Public Safety - CCTV monitoring	204,050	216,300	229,300	243,100	257,700
Social upliftment	199,000	212,950	227,860	243,810	260,900
Depreciation	329,190 7.0%	317,180 7.0%	261,375 5.5%	145,040 2.9%	77,170 1.5%
Repairs & Maintenance	75,000 1.6%	80,500 1.8%	85,337 1.8%	90,500 1.8%	96,000 1.8%
Interest & Redemption (Finance Lease)					
General Expenditure	345,700 7.3%	377,750 8.3%	401,370 8.4%	426,465 8.5%	459,770 8.7%
Accounting fees	84,000	89,880	96,170	102,905	110,110
Administration and management fees					
Advertising costs	7,500	7,950	8,450	8,950	9,500
Auditor's remuneration	20,000	21,200	22,500	24,000	25,450
Bank charges	4,500	4,800	5,100	5,400	5,750
Catering & Food	-	-	-	-	-
Communication	5,000	5,300	5,650	6,000	6,400
Computer expenses	6,000	6,400	6,800	7,210	7,650
Contingency / Sundry	2,500	7,500	7,500	7,500	12,500
Insurance	23,000	24,400	26,000	27,600	29,300
Marketing and promotions	52,000	55,500	58,850	62,500	66,500
Meeting expenses	5,000	5,300	5,650	6,000	6,360
Motor vehicle expenses	66,000	70,000	74,200	78,700	83,450
Office rental					
Printing / stationery / photographic	6,500	7,000	7,450	7,900	8,500
Protective clothing	20,000	21,200	22,500	23,900	26,000
Refreshments and Teas	18,000	24,000	25,500	27,000	29,500
Secretarial duties	7,000	7,500	8,000	8,500	9,000
Telecommunication	16,700	17,700	18,800	20,000	21,200
Travel & subs - National	2,000	2,120	2,250	2,400	2,600
Projects	135,000 2.9%	16,762 0.4%	- 0.0%	33,490 0.7%	- 0.0%
Ad hoc environmental projects	-	16,762		33,490	
Marketing Project	135,000				
Capital Expenditure (PPE)	320,000 6.8%	- 0.0%	- 0.0%	- 0.0%	- 0.0%
CCTV / LPR Cameras	320,000				
Bad Debt Provision 3%	127,920 2.7%	136,874 3.0%	143,718 3.0%	150,904 3.0%	158,449 3.0%
TOTAL EXPENDITURE	4,719,000 100.0%	4,562,480 100.0%	4,790,605 100.0%	5,030,135 100.0%	5,281,640 100.0%
(SURPLUS) / SHORTFALL	-	0	-0	0	0
GROWTH: EXPENDITURE	30.1%	-3.3%	5.0%	5.0%	5.0%

MUIZENBERG IMPROVEMENT DISTRICT

2025/26

PROPOSED BUDGET

	As per Business Plan		Proposed Budget		Variance
INCOME	R		R		R
Income from Additional Rates	-4,264,000	90.4%	-4,264,000	90.4%	-
Other: Accumulated Surplus	-455,000	9.6%	-455,000	9.6%	-
Other Income: Specify	-	0.0%	-	0.0%	-
TOTAL INCOME	-4,719,000	100.0%	-4,719,000	100.0%	-
EXPENDITURE	R		R		R
Employee Related	1,035,240	21.9%	1,035,240	21.9%	-
Salaries and Wages	826,740		826,740		-
PAYE, UIF & SDL	122,000		122,000		-
Allowances: Locomotion	-		-		-
COIDA	10,000		10,000		-
Bonus	76,500		76,500		-
Core Business	2,350,950	49.8%	2,350,950	49.8%	-
Cleansing services	35,000		35,000		-
Environmental upgrading	57,000		57,000		-
Law Enforcement Officers / Traffic Wardens	530,750		530,750		-
Public Safety	1,325,150		1,325,150		-
Public Safety - CCTV monitoring	204,050		204,050		-
Public Safety - CCTV - Leasing of cameras	-		-		-
Social upliftment	199,000		199,000		-
Urban Maintenance	-		-		-
Depreciation	329,190	7.0%	329,190	7.0%	-
Repairs & Maintenance	75,000	1.6%	75,000	1.6%	-
Interest & Redemption (Finance Lease)	-	0.0%	-	0.0%	-
General Expenditure	345,700	7.3%	345,700	7.3%	-
Accounting fees	84,000		84,000		-
Administration and management fees	-		-		-
Advertising costs	7,500		7,500		-
Auditor's remuneration	20,000		20,000		-
Bank charges	4,500		4,500		-
Books, periodicals & subscriptions	-		-		-
Catering & Food	-		-		-
Cleaning costs (previously Office Cleaning Costs)	-		-		-
Communication	5,000		5,000		-
Computer expenses	6,000		6,000		-
Conferences & seminars - International	-		-		-
Conferences & seminars - National	-		-		-
Contingency / Sundry	2,500		2,500		-
Donations	-		-		-
Insurance	23,000		23,000		-
Lease rental on equipment	-		-		-
Legal Services	-		-		-
Marketing and promotions	52,000		52,000		-
Meeting expenses	5,000		5,000		-
Minor tools & equipment	-		-		-
Motor vehicle expenses	66,000		66,000		-
Office rental	-		-		-
Office security	-		-		-
Postage & courier	-		-		-
Printing / stationery / photographic	6,500		6,500		-
Protective clothing	20,000		20,000		-

Rates & Service Accounts (only CCT)	-		-		-	
Refreshments and Teas	18,000		18,000		-	
SARS - Income Tax	-		-		-	
Secretarial duties	7,000		7,000		-	
Telecommunication	16,700		16,700		-	
Training	-		-		-	
Travel & subs - International	-		-		-	
Travel & subs - National	2,000		2,000		-	
Utilities (not CCT)	-		-		-	
Projects	135,000	2.9%	135,000	2.9%	-	0.0%
<i>Ad hoc environmental projects</i>	-		-		-	
<i>Marketing Project</i>	135,000		135,000		-	
<i>Provide Detail</i>	-		-		-	
<i>Provide Detail</i>	-		-		-	
<i>Provide Detail</i>	-		-		-	
Capital Expenditure (PPE)	320,000	6.8%	320,000	6.8%	-	0.0%
CCTV / LPR Cameras	320,000		320,000		-	
Computer Equipment	-		-		-	
Fence / Wall	-		-		-	
Office Equipment	-		-		-	
Office Furniture	-		-		-	
Plant and Equipment	-		-		-	
Radio Equipment	-		-		-	
Vehicles	-		-		-	
<i>Other: Specify</i>	-		-		-	
<i>Other: Specify</i>	-		-		-	
Bad Debt Provision 3%	127,920	2.7%	127,920	2.7%	-	0.0%
TOTAL EXPENDITURE	4,719,000	100.0%	4,719,000	100.0%	-	0.0%
(SURPLUS) / SHORTFALL	-		-		-	

MUIZENBERG IMPROVEMENT DISTRICT
2025/26
PROPOSED UTILISATION OF ACCUMULATED SURPLUS

		Proposed Budget	
EXPENDITURE		R	
1. Projects		135,000	29.7%
	<i>Additional Marketing</i>	135,000	
2. Capital Expenditure (PPE)		320,000	70.3%
	<i>CCTV / LPR Cameras</i>	320,000	
TOTAL EXPENDITURE		455,000	100.0%

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#REF!

Year in which asset becomes operational	Description of Asset	Asset Class (See Legend below)	Cost
Year 1			
Year 2			
Year 3			
Year 4			
Year 5			

LIFESPAN OF ASSETS:	
<u>Asset Class</u>	<u>Useful Life (Years)</u>
Computer Hardware	3-5
Computer Software	3
Furniture	5-10
Cameras - CCTV	5
Cameras - LPR	5
Equipment - Office	5
Plant and Equipment	5
Fence	10
Motor Vehicle	5
Communication Equipment	7
Security Hut	7
Security Trailer	7-10
Containers	15-20

Boundary Wall

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