

FREQUENTLY ASKED QUESTIONS

1. WHAT TYPE OF LEGAL ENTITY IS THE CEO SLEEPOUT™?

Answer

- The CEO SleepOut™ was registered as a Trust on 19 March 2015, with Trust Registration Number: IT 00819/2015, and is governed by a Trust Deed which was lodged with the Master of the High Court (Pretoria).

2. HOW MANY TRUSTEES ARE REQUIRED FOR THE OPERATION OF THE TRUST?

Answer

- The Trust Deed specifies the required number of Trustees. The CEO SleepOut™ Trust is required in terms of the Trust Deed to have no less than two Trustees (*please see question below in respect of the PBO Registration*) that have no connection to each other and who are able to exercise their functions independently. No Trustee may exercise direct or indirect control over The Trust without the input from the other Trustees.

3. WHAT DECISIONS CAN THE TRUSTEES MAKE?

Answer

- The Trustees have the discretion to make any decisions as long as they do not conflict with the provisions of The Trust Deed.

4. REFERENCE IS MADE TO THE “WORKING GROUP”. WHAT IS ITS ROLE VIS A VIS THE TRUST?

Answer

- The Working Group is a group of representatives of the various Stakeholders in the Event including The Trust, Sponsors or Beneficiaries who provide advice on matters where the Trustees do not have specialist knowledge. The members of the Working Group change each year as new Sponsors and/or Beneficiaries are aligned with the Event. The Working Group is in place to enhance transparency and accountability on the part of the Trustees.

5. HOW DO THE TRUSTEES MAKE DECISIONS AND DO THEY HOLD MEETINGS AND IF SO HOW MANY MEETINGS?

Answer

- The Trustees make decisions in accordance with the provisions of the Trust Deed and may consider the advice of the Working Group.
- Meetings are held a minimum of four times within a year, although in practice the board meets more than the prescribed four times per year.
- All meetings (*including working group meetings*) are minuted to ensure a true representation of the discussions of the Trustees and to enhance accountability and transparency and as far as possible adhere to the code of best practice set out in the King IV Report on Good Governance.
- Due to contractual reasons these Agendas and Minutes are confidential.

6. WHO ENSURES TRANSPARENCY REGARDING THE DISTRIBUTION OF MONEY RAISED TO BENEFICIARIES?

Answer

- The Trustees act in accordance with the provisions of the Trust Deed to ensure transparency.
- In addition, the Trustees have their books of account audited by an independent firm of auditors. This audit is undertaken in accordance with the prescribed auditing rules.
- The results of such an audit are confidential.
- When deciding on appointing Beneficiaries for each Event, the Trustees act in terms of the Trust Deed, the relevant legislation and the principles of The CEO SleepOut™ Intellectual Pillars focusing on Shelter, Healthcare, Nutrition, Education and Community.

7. ARE THE TRUSTEES OBLIGATED TO DISCLOSE CONFLICT OF INTEREST?

Answer

- Yes, in accordance with common law principles Trustees are required to disclose any and all conflicts of interest if/when it arises to their fellow Trustees.
- Trustees are entitled to render provisional services to The Trust provided that the fees charged are reasonable and market related.

8. MAY THE PUBLIC PARTICIPATE IN THE TRUST?

Answer

- Due to the private nature of a trust, all trust documents are confidential.
- The interests of Beneficiaries are however protected by the appointed Trustees, and the appointed auditors.

9. WHO ARE THE PERSONS WHO MAKE DECISIONS ON BEHALF OF THE TRUST?

Answer

- The Trustees have the authority to make decisions that bind The Trust. They are appointed from time to time in accordance with the provisions of the Trust Deed. The Trustees are given authority to act by the Master of the High Court. As a registered PBO The Trust is required to have 3 independent Trustees who are not related to each other

10. WHAT IS A PUBLIC BENEFIT ORGANISATION (PBO) AND HAS THE TRUST BEEN REGISTERED AS A PBO?

Answer

- Section 30 of the Income Tax Act of 1962 (*the Act*), sets out that in order to qualify and subsequently register as a PBO, the organisation must be a Section 21 company (*non-profit company*), an association of persons or a trust. It must further be registered as a non-profit entity under the Non-profit Organisations Act and have as its sole object to carry out one or more of the sixty seven public benefit activities set out in the Act under certain specified conditions.
- The public benefit activities must be carried on in a non-profit manner with altruistic or philanthropic intentions, be conducted for the benefit of or be widely accessible to the general public and may not promote the economic self-interest of any fiduciary or employee of the PBO.
- The CEO SleepOut™ Trust was registered as a PBO on 09 February 2017, with registration number: 930055276.
- A minimum of 50% of Cash Receipts are required to be awarded to the nominated beneficiaries each year

11. WHAT IS CONSIDERED AS A DONATION FOR THE PURPOSES OF A PBO AND WHAT ARE THE REGULATIONS THAT MUST BE FOLLOWED BY THE PBO?

- Donations (*a bona fide donation in cash or of property in kind*) may be received from various sources, including donations made by members of the public and by the state, for the purpose of enabling the PBO to redistribute the funds for philanthropic purposes.
- A PBO may not, however, accept donations that may be withdrawn for reasons other than the PBO failing to meet the purposes and conditions of the donation. A PBO may not accept a donation under any conditions which would allow for the donor or any connected person to receive any benefit from the use of the donation.
- Section 18 (2)(A)(b)(i) of the Act as well as the specific approval issued by SARS provides that the Trust is obliged to donate at least 50% of all donations received in that year of assessment, in respect of which section 18A Certificates were issued by the Trust. Any surplus funds may be accumulated or invested by a PBO for future use in carrying on its sole or principal object (*being one of the public benefit activities as listed in the Act*).
- The CEO SleepOut™ Trust endeavours to donate more than the required 50% and provision is made for the reasonable recovery of funds in order to cover our expenses such as remuneration to employees and other expenses.

12. WHAT EFFECT DOES PBO STATUS HAVE?

Answer

- PBO'S are entitled to income tax exemptions.
- A Taxpayer who makes a donation to a qualifying PBO receives a Section 18A Tax Certificate, which entitles the taxpayer to a deduction from their taxable income. The Income Tax Act sets out certain requirements and the Trust fully complies with the requirements of issuing Section 18A certificates.