



### **TAX EXEMPTIONS: PBO**

The Bokamoso Education Trust is a registered Public Benefit Organization (PBO) approved by the South African Revenue Service (SARS) and complying with the requirements of Section 30 of the Income Tax Act 58 of 1962. As such, in terms of s18A, donations made to the Trust are deductible in the determination of taxable income of donors.

The Tax exemption however only applies to donations of cash contributions or property in kind. Donation of services do not fit into the definition of “property” contemplated in s18A(1) and are not tax deductible.

Furthermore, bequests or accruals from the estates of deceased persons in favour of the Trust are exempt from payment of estate duty (section 4(h) of the Estate Duty Act, 1955).

### **B-BBEE CONTRIBUTIONS**

- Donor companies are able to claim BEE points for donations made in the category of Socio-Economic Development (SED), which assist in improving their overall BEE Status/contributor level.
- In order to meet the Compliance Target for SED contributions, donors must donate just 1% of their Net Profit after tax for that year.
- A maximum of 5 Points can be achieved for SED contributions when the Compliance Target is achieved or surpassed. If the target indicator is not achieved points are scored on a pro rata basis.
- All three levels of Enterprises (EME, QSE and Large enterprises) can benefit through donation to Bokamoso.
- Kindly note: Donations to the Trust must be made within the financial period in which the BEE rating of the entity will be conducted.

***Verification Process:***

- Once a donation is made to the trust, the donor will be provided with a letter acknowledging receipt thereof, declaring at least the beneficiaries are 75% Black people and confirming that the full donation will be allocated to these beneficiaries.
- The Donor will then provide its BEE verification agent with the proof of payment and an s18A receipt, which is to be received from the Trust.