

THE CLOTHING BANK



B-BBEE Scorecard

The Clothing Bank is one of the best examples of successful Enterprise Development in South Africa. You can be assured that by donating goods, services or money that this will be used to deliver our Enterprise Development Programme.

The Clothing Bank (TCB) has been certified by **Empowerdex** as a 3rd Party Enterprise Development Service Provider which means that they have verified that the work we do qualifies as Enterprise Development and that any donations (in the form of garments, services, grants, loans) can be claimed as Enterprise Development points. Under the current codes, donations qualify for bonus points as our entrepreneurs are classified as Exempt Micro Enterprises (Turnover of less than R5m pa) and they are 100% black women owned which means that donors can claim the full Rand value of contributions and multiply this by a factor of 125%. The maximum points available under the current codes are 15 points if you donate 3% NPAT

We offer a simple and hassle free way to claim your Enterprise Development points. Your verification agency will require the following from The Clothing Bank to verify your contribution:

- Proof of donation
- Letter from The Clothing Bank stating value donated and that donation was for the purpose of our Enterprise Development Programme
- Empowerdex 3rd Party Certification (TCB will supply)
- Contract/agreement between your organisation and The Clothing Bank (TCB will supply)

In addition to this The Clothing Bank is a registered NPO and Empowerdex has certified that 100% of our beneficiaries are black so all donations can also qualify for SED points. The maximum points available under the current codes are 5 points if you donate 1% NPAT

As The Clothing Bank is also a registered NPO and PBO (Sect 18A) any donations made under ED or SED qualify for a tax deduction.

The Amended BEE Codes – Effective May 2015

Under the new BEE codes which become effective May 2015 there is even further scope to claim points by supporting The Clothing Bank.

The Clothing Bank is a **broad-based ownership scheme (B-BOS)** and there are a total of 17 points (out of 25 Ownership) on offer should you choose to invest in this scheme. A summary of these points is represented below:

Element	Criteria	Points Available through TCB
Ownership	25% voting right black people	4pts
	10% voting rights black women	2pts
	25% of economic interest with black people	4pts
	10% economic interest with black women	2pts
	3% of economic interest in designated groups (youth)	3pts
	2% of economic interest with new entrants	2pts

Under the new codes there has been an increased focus on skills development with the fundamental change being that companies can now claim points by training **unemployed** black people. The required spend annually has increased from 3% to 6% of payroll which means this is going to be much harder for companies to achieve. The Clothing Bank offers extensive training to our beneficiaries who are all unemployed black women during our 2 year enterprise development programme which includes a **learnership** through the **W&R Seta** in year 2. By supporting The Clothing Bank and contributing towards skills development there are a total of 12 points and 5 bonus points (out of 20 Skills Development) on offer as summarised below:

Element	Criteria	Points Available through TCB
Skills Development	2.5% of black unemployed/employed in learning programme as per learning matrix	4pts
	6% of payroll spent on black people (internal or external) in learning programme as per learning matrix	8pts
	Number of unemployed people trained then employed	5pts (bonus)

Under the new codes the opportunity to claim Enterprise Development points becomes a little more complicated as there is increased focus on developing small black businesses within your supply chain. As the women run retail businesses they are unlikely to fit into the new supplier development category but there are a full 5 Enterprise Development points on offer for a 1% NPAT contribution to our programme. Our beneficiaries are 100% black women owned businesses (EMEs- turnover of less than R10m) and there is 1 bonus point on offer if any of the enterprises supported create jobs and through our Micro Franchise Project this is almost certainly guaranteed.

The SED point allocation remains the same at full 5 points for 1% NPAT but there is an important change which states that only non-profit organisations that provide access to **income generating** opportunities qualify. This might mean that many traditional charities will no longer qualify. Given that economic inclusion is the core business of The Clothing Bank, we continue to be able to offer these points to organisations that support us.

In summary, **The Clothing Bank** can offer you the opportunity to significantly improve your BEE scorecard with a possible total of 41 points plus 6 bonus points as summarised below:

Element	Criteria	Points Available through TCB
Ownership	25% voting right black people	4pts
	10% voting rights black women	2pts
	10% economic interest with black women	2pts
	25% of economic interest with black people	4pts
	3% of economic interest in designated groups (youth)	3pts
	2% of economic interest with new entrants	2pts
Skills Development	2.5% of black unemployed/employed in learning programme	4pts
	6% of payroll spent on black people (internal or external) in learning	8pts
	Number of unemployed people trained then employed	5pts (bonus)
	Consumer education	2pts
Enterprise Development	1% of NPAT spend on Enterprise Development	5pts
	Jobs created from ED Programme	1pt (bonus)
Socio-Economic Development	1% of NPAT spend on income generating activities	5pts