



# Long Term Contracts

## Quarterly Return Guidelines

### Purpose

Municipalities must report on all long term contracts (LTC) with a contract period exceeding three years and a total contract value of R1 million and above (a return must be completed each quarter for the term of the LTC). Each quarter every municipality must submit this return to National Treasury disclosing for that quarter:

1. any new Long Term Contract established, and
2. any Long Term Contract terminated or that came to an end, and
3. changes to any of the details of an existing Long Term Contract, or
4. that there has been no changes to any Long Term Contract (no changes to details previously submitted, no new Long Term Contract established, no Long Term Contract terminated or that came to an end), or
5. no Long Term Contract exists.

### Summary of the 6 steps to complete this return each quarter

Step <b>1</b>	<b>Review existing Long Term Contracts (LTC); AND</b>
Step <b>2</b>	Complete a new return for each <b>new LTC established</b> during the quarter. Each new LTC must be allocated a sequential number (e.g. LTC Number 1, LTC Number 2, etc) following on from the previous number. No number should be repeated; AND
Step <b>3</b>	Complete a new return for <b>each LTC that was terminated or came to an end</b> during the quarter, using the original sequential number allocated to that LTC. The sequential number allocated to a LTC must never be re-allocated to any other LTC; or
Step <b>4</b>	Complete a new return form for each existing LTC where the details previously submitted have changed during the quarter, complete an entire new return for that LTC <b>only</b> . The return must contain all details required in the return and not <b>just</b> the details that have changed. The <b>original</b> sequential number allocated to the LTC must be used on this return; OR
Step <b>5</b>	If the municipality has a LTC(s) but from the review none of steps 2 - 4 has occurred complete a single return type 4. <i>“Existing LTC(s) but no activity for this quarter”</i> , or
Step <b>6</b>	If the municipality has no LTC complete a single return type 5. <i>“No LTC”</i>
Note:	After the “once off” submission of details of all LTCs existing as at 30 September 2006 do not resubmit details of existing LTCs each quarter.

## Completing the return – details for the different return types

### **Once-off submission of details of all Long Term Contracts existing as at 30 September 2006 (Quarter July - September 2006)**

Specifically for the quarter ending 30 September 2006:

- select the return type “6. LTC as at 30 September 2006 (once off)”
- complete all fields
- in the “LTC Number” field allocate a sequential number (e.g. LTC Number 1, LTC Number 2, etc). Enter this number in the cell “LTC Number”. This number remains allocated to that specific LTC even if it is later terminated or come to an end, and cannot be used again.
- a separate return must be completed for each LTC of the municipality that exists as at 30 September 2006 and submitted to [lqdatabase@treasury.gov.za](mailto:lqdatabase@treasury.gov.za)

### **Any new LTC established**

Where the municipality has no LTC or it has existing LTC(s) and during the quarter under review it established a new LTC:

- select the return type “1. LTC established during this quarter”
- complete all fields
- in the “LTC Number” field allocate a unique sequential number that follows on from the last number allocated to an LTC
- a separate return is submitted to [lqdatabase@treasury.gov.za](mailto:lqdatabase@treasury.gov.za) in respect of each new LTC established during that quarter

### **Any LTC terminated or that come to an end**

Where the municipality has an existing LTC(s) and during the quarter under review any of its LTC(s) was terminated or came to an end:

- select the return type “2. LTC terminated/ came to an end during this quarter”
- complete “Financial Year and Quarter”, “Municipality”, “Long Term Contract Number”, “Head Contractor Name”, “Main/Sub function”, “Date established”, “Date terminated/ came to an end” and “Contact Person” fields
- When completing the “LTC Number” field insert the original unique sequential number allocated to the LTC
- a separate return is submitted to [lqdatabase@treasury.gov.za](mailto:lqdatabase@treasury.gov.za) in respect of each LTC terminated during that quarter

### **Changes to any of the details of an existing LTC**

Where the municipality has existing LTC(s) and during the quarter under review any of the details previously disclosed to National Treasury changed:

- select the return type “3. Changes to detail of existing LTC”
- complete all fields, not just those that have changed
- in the “Long Term Contract Number” field insert the original unique sequential number allocated to the LTC
- a separate return is submitted to [lqdatabase@treasury.gov.za](mailto:lqdatabase@treasury.gov.za) in respect of each LTC whose details have changed during that quarter

### **No changes to any LTC (no established, terminated/ended or changes to details)**

Where the municipality has a LTC(s) but there were no changes during this quarter to the details previously disclosed or there was no LTC established or terminated or that came to an end:

- select the return type “4. Existing LTC(s) but no activity for this quarter”
- complete “Financial Year and Quarter”, “Municipality” and “Contact Person” fields
- in the “Long Term Contract Number” field insert zero “0”
- a single return is submitted to [lqdatabase@treasury.gov.za](mailto:lqdatabase@treasury.gov.za)

### **The municipality has no LTC**

Where no LTC exists:

- select the return type “5. No LTC”
- complete “Financial Year and Quarter”, “Municipality” and “Contact Person” fields
- in the “LTC Number” field insert zero “0”
- a single return is submitted to [lgdatabase@treasury.gov.za](mailto:lgdatabase@treasury.gov.za)

### **Multiple events occurring in the same quarter**

If during the same quarter there were several instances that occurred, e.g. two LTC were established and an old LTC terminated:

- complete a separate return in respect of each event. Select the relevant “return type” for that event and follow the instructions above;
- submit the completed returns in respect of each event to [lgdatabase@treasury.gov.za](mailto:lgdatabase@treasury.gov.za)

Information on Long Term Contracts will be posted on the National Treasury website and a copy with updates sent to the relevant Provincial Treasury, Auditor-General and other oversight bodies from time to time.

## **When to submit**

Please submit this return as soon as possible after the end of the quarter but by no later than 30 calendar days after the end of each quarter.

<b>Quarter</b>	<b>Period</b>	<b>Due Date</b>
1	1 July – 30 September	30 October
2	1 October – 31 December	30 January
3	1 January – 31 March	30 April
4	1 April – 30 June	30 July

## **Municipalities delegated to the Provincial Treasuries**

Municipalities delegated to the Provincial Treasuries must submit the Long Term Contract return form to the National Treasury ([lgdatabase@treasury.gov.za](mailto:lgdatabase@treasury.gov.za)). The National Treasury will copy the Provincial Treasury with this information.

## **Format of the Return**

The return is an easy to use Excel spreadsheet, which must be completed electronically and reviewed by the municipal manager or a delegated senior finance official. The municipality is not required to submit a hard copy.

In the yellow shaded boxes enter the appropriate response against each question. A drop down selection has been provided in some instances, otherwise please complete each question using the format instructions shown in blue.

Municipalities should not change the layout or modify the design of the return, only the original template can be submitted as these are being monitored electronically. Any change to the template or missing fields will result in an automatic rejection requiring the form to be resubmitted.

## **Submission Process**

### **Electronic Submission**

1. The inbuilt macro will create a file name by simultaneously pressing **Shift+Ctrl+S** (with **"Caps Lock"** off) to invoke the macro. The return file will be automatically saved in your current working directory in the required format (Muncde\_LTC\_ccyy\_Qn\_nnn.xls) according to the **Municipality Name**, **Financial year** and **quarter** selected from drop-down lists on the top of the return. Before saving the file please ensure you have correctly selected the financial year, quarter, municipality name and LTC number on the return.
  - Muncde = Municipality Code
  - ccyy = Financial Year End (e.g. 2006 for 2005/06 financial year)
  - Qn = Quarter (Q1, Q2, Q3 or Q4)
  - nnn = LTC Number
2. The file will be saved with the following naming convention:
  - GT001\_LTC\_2006\_Q1\_1.xls (for the first LTC)
  - GT001\_LTC\_2006\_Q1\_2.xls (for the second LTC)
  - GT001\_LTC\_2006\_Q1\_0.xls (where no LTC exists or there has been no activity for the quarter (no established/disestablished))
3. Email the Excel (.xls) file to [lqdatabase@treasury.gov.za](mailto:lqdatabase@treasury.gov.za)