

# Quarterly Borrowing Monitoring Return Form

(Version 210405\_1300)

## Purpose

In terms of Circular 26 of the Municipal Finance Management Act (MFMA), municipalities are required to submit the borrowing form upon completion. National Treasury (NT) uses this information to analyse the overall municipal borrowing market with a view to increasing access to capital for infrastructure projects. This will enable National Treasury to make proper analysis that informs policy developments on the overall municipal borrowing market. This will assist NT to provide sound advice to municipalities that intend to incur additional borrowings as required by section 46(3)(a)(i) of the MFMA.

## Format of Return Form

The return is an Excel spreadsheet with three worksheets (loans, bonds and instructions) and must be submitted electronically each quarter to National Treasury even if the municipality has no borrowings to report. The database is expecting specific data with specific attributes, the templates should not be changed. If this is not found, problems will arise. This return form must be submitted each quarter within 15 working days of the end of the quarter. Ensure the file is saved in the correct format (Muncode\_BM\_ccyy\_Qn.xls) by selecting the correct MunCode, Financial year, period and NO in the case of a NIL return from the drop-down lists.

You may use the inbuilt macro to automatically save using the correct file name. Simultaneously press Shift+Ctrl+S (With "Caps Lock" off) to invoke the macro. Email the Excel (.xls) file to lgdatabase@treasury.gov.za with a subject heading of Financial Reporting Database Input.

## Loans/ bonds worksheets

The loans worksheet requires each individual loan instrument to be listed and certain attributes for each completed. The columns are wide enough to display the full descriptions of the drop down lists. This worksheet has been protected.

- All figures are to be entered in whole Rands
- All figures are to be entered as positive (+)

**The form is according to the municipal financial year**

Column Heading	Instruction
Municipal Code	Select Municipal Code from dropdown list
Financial Year End	Select Financial Year from dropdown list.
Quarter	Select Quarter from dropdown list.
Loans	Select Yes for Loans and No if no loans exist.
Loan Instr No.	The loan instrument number is the system number. This is a unique number and should always remain the same for a particular borrowing instrument.
Muni loan ref No.	The municipality loan reference number is the number that the municipality and the lending institution use to identify the particular instrument.
Start Date (ccyy/mm/dd)	The start date of the loan must be completed in the format stated in the column heading.
Planned End Date (ccyy/mm/dd)	The end date of the loan must be completed in the format stated in the column heading.
Term Unit	This is the auto-generated column that indicated whether the loan is a short or long term. <b>Do not input data on this column.</b>
Term Value	This is the auto-generated column that indicated the tenure of the loan. <b>Do not input data on this column.</b>
Principal Debt raised at the inception	The amount of the loan (capital). The amount should be typed in full rand currency.
Council Resolution Date (ccyy/mm/dd)	The date of the council resolution for the particular loan.
Loan/General Fees	All the admin and other fees associated with the raising of the loan. This could be tender costs, advertising, consultant fees etc.
Commitment Fees	Fees that a lender charges a borrower to keep a line of credit open, or to guarantee a loan at a certain future date even though the credit is not being used at that particular time.
Debt Type	Select from the drop down list: <b>ST - Bank Overdraft (01)</b> , Overdrafts payable within 12 months <b>ST - Other Short-Term Loans (02)</b> , Short term loans maturing within 12 months <b>ST - Other Securities (06)</b> , Any other instrument that is maturing within 12 months and is not included in the list <b>LT - Long-Term Loans (07)</b> , Loans maturing over 12 months and used to acquire/build Property, Plant and Equipment <b>LT - Instalment Credit (08)</b> , Higher Purchase Instalment. <b>LT - Financial Leases (09)</b> , This is an agreement between a finance institution and a municipality whereby the municipality is given use of an asset for an agreed rental amount over a fixed period of time. The municipality must keep the asset for the full <b>LT - Other Securities (14)</b> , Any other instrument not included in the list that that is used to finance capital assets and matures over 12 months.
Debt Raised for	Select from the drop down list.
Security	Select from the drop down list.
Loan Source	Select from the drop down list.
Institution	Select from the drop down list.
Loan Purpose	Select from the drop down list.
Amortization Structure	Select from the drop down list.
Type of Interest	Select from the drop down list.
Timing of Interest payment	Select from the drop down list.
<b>Columns T – Y apply to Quarter and Financial year selected to report on.</b>	
% Interest Rate (2 dec) Per Annum	Interest rate charged that Quarter
Interest Paid This Quarter	Amount of interest in Rand value that was paid that quarter
Balance at Begin of Quarter	Opening balance at the beginning of Quarter
Debt Repaid or redeemed This Quarter	From the total amount that was paid to service the debt, how much of it has contributed into reducing the principal or capital that Quarter
Additional Principal Accrued This Quarter	Any <b>additional</b> drawdowns claimed that Quarter
Balance at End of Quarter	Closing balance at end of Quarter

## Bond worksheet

This section describes the columns that are specific to bonds only.

Arranger Fees	Fees paid to the lead arranger of the bond
Bond Type	Select from the drop down list
Bond Raised for	Select from the drop down list.
Name of Lead Arranger	Name of the bank that arranged the bond
Bond Purpose	Select from the drop down list
% Coupon Rate (2 dec) Per Annum	Coupon rate fixed at date of issuing the bond