





Transport Education Training Authority

Heart of Skills Innovation

 Transport Education Training Authority <i>Heart of Skills Innovation</i>	TRANSPORT AND EDUCATION TRAINING AUTHORITY QUALITY MANAGEMENT SYSTEM POLICY		
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TABLE OF CONTENTS

1. BACKGROUND 3

2. PURPOSE OF THE POLICY..... 3

3. PRINCIPLES OF MANDATORY GRANTS DISBURSEMENT 3

4. SCOPE OF COVERAGE/ APPLICATION 4

5. MANAGEMENT OF NEW MANDATORY GRANT SUBMISSIONS 4

6. ELIGIBILITY CRITERIA FOR MANDATORY GRANTS/ SUBMISSION REQUIREMENTS 4

7. CONDITIONS FOR PAYMENT OF MANDATORY GRANTS..... 4

8. ANNUAL TRAINING REPORT 5

9. EXTENSIONS OF DEADLINE FOR SUBMISSION 6

10. UNCLAIMED MANDATORY GRANTS 6

11. UNSUCCESSFUL MANDATORY GRANT APPLICATIONS..... 7

12. ENQUIRIES AND REQUESTS..... 7

13. MANDATORY GRANT PAYMENT SCHEDULE..... 7

14. EFFECTIVE DATE 8

15. NEXT REVIEW DATE..... 8

16. DEFINITIONS/GLOSSARY OF TERMS 8



1. BACKGROUND

TETA is committed to driving the National Skills Development Strategy (NSDS III) and government priorities within the regulatory framework. This is achieved primarily through Mandatory Grants submitted to TETA as prescribed by the Skills Development Regulations **No 35940 of July 15 2013**. In terms of grant regulation 5.2 e, TETA has the right to add additional criteria in order to perform its mandate.

2. PURPOSE OF THE POLICY

The purpose of this policy is to create an enabling framework and environment for the application, claiming and disbursement of mandatory grant payments by all qualifying TETA levy-paying employers, Public and Private Training Institutions as well as other TETA stakeholders participating in the Mandatory grant process.

The TETA policy supports government`s national imperatives such as NDP in the Presidency, HRDS, IPAP II, the National Growth Path, the National Skills Accord and the National Skills Development Strategy III objectives which are addressed in the TETA strategy, Annual Performance Plan (APP) and Sector Skills Plan (SSP). This policy provisions shall be aligned to the TETA financial year, which commences annually on 1 April and ends on 31 March each year.

In summary, the purpose of the policy seeks to:

- (i) Increase sector participation in mandatory grant activity;
- (ii) Provide guidelines to TETA and the sector on mandatory grant criteria;
- (iii) Maintain a framework within which TETA Mandatory Grants will be allocated and disbursed;
- (iv) Ensure that the information on the WSP/ATR/Pivotal is credible, accurate and valid for Sector Skills Planning (SSP) development.

3. PRINCIPLES OF MANDATORY GRANTS DISBURSEMENT

- (i) The policy provides a framework aligned with principles of transparency, fairness and equity contained in Section 2 of the Skills Development Act.
- (ii) TETA is required to ensure the payment of Mandatory Grants in accordance with the Skills Development Act, Skills Development Levies Act, Grant Regulations and all other applicable laws.
- (iii) TETA is committed to the promotion of NQF registered and quality assured programmes that address 'Hard to Fill' vacancies identified in the TETA Sector Skills Plan.
- (iv) TETA aims to improve the quantity and quality and processing of labour market information received from levy-paying employers.
- (v) TETA strives to ensure timeous payment of Mandatory Grants to all levy-paying eligible employers who meet the relevant assessment criteria in terms of applicable law.

4. SCOPE OF COVERAGE/ APPLICATION

This policy applies to all levy-paying employers within TETA gazetted sub-sectors who submit Annexure 2 on an annual basis.

5. MANAGEMENT OF NEW MANDATORY GRANT SUBMISSIONS

The Sector Education Training Authority's (SETAs) Grant Regulations makes provision for the submission of Annexure 2 by levy paying employers in order to claim mandatory funding from the SETAs. A mandatory grant is a grant payable to levy paying companies upon submission of Annexure 2 by 30 April each year. Levy paying companies employing 49 or less employees are not required to submit a PIVOTAL Plan and PIVOTAL report. In terms of section 6(3) of Skills Development Levies Act and Paragraph 4 (4) of the SETA Grant Regulations, the SETA shall pay back 20% of the total levies paid by the employer upon approval of the WSP and ATR. Payments for Mandatory Grants shall be made quarterly and any Mandatory Grants not claimed in one year will be transferred to the discretionary grant fund reserve by 15th August each year as stipulated in paragraph 4(7) of the SETA Grant Regulations. Companies transferring to TETA from another SETA must submit a copy of the previous SETA submission as well as confirmation of grant acceptance / rejection by the previous SETA. Such a company will be exempted from submitting the previous WSP.

6. ELIGIBILITY CRITERIA FOR MANDATORY GRANTS/ SUBMISSION REQUIREMENTS

A Mandatory grant is payable on condition that the WSP and ATR, are received, assessed and approved by the TETA Board based on the following criteria stated below:

- (i) The organisation should be a TETA registered levy-paying organisation for the financial year commencing 01 April and ending 31 March of the following year.
- (ii) The organisation should pay levies through SARS for TETA and be up to-date with payments at the time of application for transfers
- (iii) It is the responsibility of the employer to ensure that the payment of the Mandatory Grant is done against the correct levy number correct Sectoral Industrialisation Classification (SIC) code.
- (iv) Newly registered organisations terms of section 5 of the Skills Development Levies Act shall submit a WSP within six months of registration. Such an organisation will be exempted from submitting the ATR Annual Training.

7. CONDITIONS FOR PAYMENT OF MANDATORY GRANTS

- (i) All Mandatory Grants must be submitted online in the formats prescribed by the Department of Higher Education and Training (DHET), as amended by TETA.
- (ii) The following supporting documents must also be uploaded on to the TETA system and set out in the 2 Mandatory Grant guidelines:

- a. Signed minutes of Training Committee meetings for the current year where consultations regarding Annexure 2 were made. The minutes of the meeting should indicate the Committee's approval of the WSP and ATR and also indicate the signatories of the WSP and ATR by members of the training committee, this must be on the company letterhead. This only applies to organisations employing 50 or more employees.
- b. A duly signed authorization page by all required parties by Medium and Large Companies
- (iii) It remains the responsibility of employers to ensure that payment of the Mandatory Grant is done against the correct levy number and to ensure that TETA is in possession of their correct banking details, failure to do so, will result in the forfeiture of the grant that will be swept into the TETA Discretionary Grant reserves.
- (iv) In the case of an employer who has a recognition agreement with a trade union (or trade unions), there has to be evidence provided that the WSP and ATR have been subjected to consultation with the recognised trade unions and the WSP and ATR has to be signed off by the labour representative appointed by the recognised trade union, unless a credible explanation is provided.
- (v) Companies shall ensure the completeness and accuracy of their submissions as there will be no further opportunities to rectify post the closing date.
- (vi) Failure by a company to submit complete and accurate information shall result in the submission being declared invalid and, therefore, not approved.
- (vii) Companies who have defaulted, by not submitting WSP/ATR in the previous year, will have their applications treated as first-time submissions. The WSP and ATR will be assessed based on the set criteria and guidelines.
- (viii) Should the WSP and /ATR be approved based on (vii) above, those, the grant will not be payable to the company due to lack of Annual Training Report (ATR) but the status of the application will remain as "Accepted not Payable". It is of critical importance for companies to note that "Accepted not Payable" status will not result in a Mandatory Grant payment for that specific year
- (ix) Companies that have transferred from another SETA, and are submitting for the first time with TETA, have to upload the previous year's WSP and ATR that were submitted to the previous SETA, as well as proof of acceptance. These will not be treated as first-time submissions and may be eligible for Mandatory Grant payment if approved.
- (x) Payments in respect of Mandatory Grants shall be made quarterly upon approval and verification of the WSP, ATR and PTR in accordance with the TETA grant approval procedure and payment schedule.

8. ANNUAL TRAINING REPORT

- (i) ATR (April 2018 – March 2019)

The organisation must capture all the training achieved when the online system is opened for the ATR capturing, or alternatively report all quarters together with the ATR on or before 30 April each year. The organisation should then ensure that the planned training report is submitted on or before 30 April 2018.

(ii) Annual Training Report Verification

All training reported on the ATR may be subject to verification. TETA validates the report through sampling. If a company or part thereof is sampled by TETA, the company will be required to provide evidence of the training of learners as requested by TETA.

(iii) Monitoring reports

Each Chamber must produce monitoring reports for companies that have been sampled and monitored before the payment for the first tranche of the Mandatory Grants is made.

9. EXTENSIONS OF DEADLINE FOR SUBMISSION

The submission deadline for mandatory grant applications is the 30th of April of each financial year.

- (i) Should an employer fail to comply with the above submission date, a written request on an official letterhead with a valid reason must be submitted to TETA to obtain an extension of the submission deadline.
- (ii) An extension of up to a period of one month from the 30 April of each financial year may be granted by TETA and this is subject to a written request by an employer and approval by TETA Board.
- (iii) The written request to obtain an extension of the submission deadline by the employer must be uploaded on the system on a company letterhead on or before 30 April each year.
- (iv) The request has to provide detailed reasons why the submission deadline could not be met. Upon receipt of the letter, TETA will review the request and the applicant be notified of the outcome. The decision whether to grant the extension and the time period of the extension is fully within the discretion of the CEO as delegated by TETA Board.
- (v) Only mandatory grant applicants who have been granted an extension will have access to the SMS system to complete their mandatory grant applications within the specified time.
- (vi) Newly registered companies may be granted an extension that does not exceed 6 months from the date of registration of a company. Proof of company registration will be required including the request for extension.

10. UNCLAIMED MANDATORY GRANTS

TETA-registered companies who do not participate in the Mandatory Grant by the end of the year under review (31 March) will forfeit such grant. Unclaimed Mandatory Grants will automatically be transferred to the

Discretionary Grant fund as per section 3.3 of the grant regulations for reallocation into NSDS III priority projects (as identified in the Annual Performance Plan (APP) signed with DHET. This condition does not apply to newly registered companies within six months of registration, provided that they also submit the WSP and PTP

11. UNSUCCESSFUL MANDATORY GRANT APPLICATIONS

Failure to meet any of the requirements set out in paragraphs 6 and 7 above, or otherwise required by law, will be a basis to decline the mandatory grant application.

Unsuccessful mandatory grant applicants will be notified in writing.

Levy-paying companies may appeal the unsuccessful Mandatory Grant application within 30 days of the communication by TETA. Such an appeal must be on a company letterhead, duly signed and uploaded on the system.

Subject to any internal appeal processes that may be provided for by TETA, the Mandatory Grant allocations of unsuccessful applicants will be transferred to the discretionary grant fund.

TETA is required to transfer unclaimed Mandatory Grants to the Discretionary Grant fund by 15 August each year

Mandatory and Discretionary Grants will not be disbursed to levy paying companies who have not submitted applications.

12. ENQUIRIES AND REQUESTS

Unless otherwise indicated in this policy, all correspondence relating to applications for and payment of Mandatory Grants and enquiries can be directed to the relevant chamber: Further enquiries can be directed to the Skills Development and Learning Programmes Manager TETA.

In order to assist with processing of requests and queries, all written correspondence should be clearly marked with the heading "**MANDATORY GRANT**". In addition, the subject heading or cover letter should readily indicate the issue being raised. TETA will strive to respond to all queries timeously, but will not be held responsible for lost or misdirected communications.

13. MANDATORY GRANT PAYMENT SCHEDULE

PLANNED DISBURSEMENT DATES	IN RESPECT OF LEVIES RECEIVED FROM SARS FOR
30 September	1 st April to 30 June
31 December	1 st July to 30 th September
31st March	1 st October to 31 st December
30 June	1 st January to 31 st March

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14. EFFECTIVE DATE

01 April 2019

15. NEXT REVIEW DATE

This policy shall be reviewed on an annual basis or;

- when there are substantial changes to Government legislative framework warrants amendment;
- when there are structural changes in the Sector;
- when there are changes in the TETA strategy;
- when the TETA Board deems it necessary to change the policy.

16. DEFINITIONS/GLOSSARY OF TERMS

APP	Annual Performance Plan as contemplated in regulation 3(7)
ATR	Annual Training Report
HRDS	Human Resources Development Strategy
IPAP	Industrial Policy Action Plan
LEVY-PAYING EMPLOYER	An employer who is compelled to pay skills development levies in terms of section 3(1) of the Skills Development Act
LARGE COMPANY	Levy-paying company employing 150 or more permanent employees
MEDIUM COMPANY	Levy-paying company employing 50 – 149 permanent employees
MANDATORY GRANT	A Mandatory Grant is a grant payment to all levy-paying organisations in terms of section 3(1) of the Skills Development Levies Act, 1999 upon submission of the Workplace Skills Plan (WSP) and the Annual Training Report (ATR). This amount will be limited to 20%
NSDS	National Skills Development Strategy
PTP	Pivotal Training Plan
PTR	Pivotal Training Report
PIVOTAL	Professional, technical and academic learning programmes that result in qualifications or part qualifications on the National Qualifications Framework. PIVOTAL Programmes within TETA are: <ul style="list-style-type: none">• Learnership Programmes – Employed and Unemployed

27

	<ul style="list-style-type: none"> • Skills Programmes–Employed and Unemployed • Adult Education Training • Work Integrated Learning - Unemployed • Internships - Unemployed • Bursaries –Employed and Unemployed <p>Non- PIVOTAL Programmes within TETA include:</p> <ul style="list-style-type: none"> • Career Guidance, Foundational Learning Competence • Sector Conferences, Stakeholder engagements and capacity building • Learning material development • Small business, CBOs, Cooperatives and NGO support • People with disabilities
SBDS	Small Business Development Strategy
SDF	Skills Development Facilitator
SIC	Sectoral Industrialisation Classification
SMALL COMPANY	Levy paying company employing 1-49 permanent employees
SSP	Sector Skills Plan.
WSP	Workplace Skills Plan
WIL	Work Integrated Learning
SDA	Skills Development Act
SDL	Skills Development Levy
SSP	Sector Skills Planning