

# THE 2017 NSFAS HANDBOOK

## Administering student financial aid in South Africa

NSFAS RULES AND  
REGULATIONS  
**NSFAS HANDBOOK**

**2017**

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## Message from the Executive Officer

This Handbook for the 2017 academic year is being presented at a time when the post-school education and training system is being challenged by a great number of issues, all of which are founded on the aspirations of the youth for equality of opportunity and choice.

While the NSFAS vision is simple – to provide more benefits to students – this must be achieved while continuing to improve the efficiencies of its operations so that students can tangibly feel the benefit of their financial support. While 2015 and 2016 were watershed years for the sector, 2017 represents an opportunity for NSFAS to demonstrate its' capabilities in delivering the funding needed by the students who qualify at the right time and through the most effective means. The focus of NSFAS over the past year has therefore been to improve the planning for, communication around and implementation of the student-centred model so that we can realise this objective in the 2017 academic year.

Significant work that has taken place in the sector this year – amongst which are the Fees Commission and the Task Team on the Missing Middle – will continue to influence the strategy and direction that Government and NSFAS will follow in responding to the call for affordable higher education for all and progressive support for financially needy students. As NSFAS, we will remain close to these developments during the 2017/18 year. We will use this year as a transition towards a more responsive, dynamic system of financial support for students who have no other means to financially support their dreams for a higher education qualification.

We will continue to work with and through the universities, TVET colleges, funders and student bodies to ensure that the funding which is made available to students through NSFAS is fairly distributed, and efficiently paid out to institutions and to students. While our business model has changed for the 2017 academic year, this Handbook continues to play a role in making clear our rules and regulations so that only those students who deserve to be funded receive NSFAS loans and bursaries.

## 2 Introducing NSFAS

- 2.1 The National Student Financial Aid Scheme (NSFAS) is a statutory body acting in terms of the National Student Financial Aid Scheme Act 56 of 1999. As per the NSFAS Act, the **functions** of NSFAS are to:
- To allocate loans and bursaries to eligible students;
  - To develop criteria and conditions for the granting of loans and bursaries to eligible students in consultation with the Minister of Higher Education and Training;
  - To raise funds;
  - To recover loans;
  - To maintain and analyse a database; and
  - To undertake research for the better utilisation of financial resources and advising the Minister of matters relating to student financial aid.
- 2.2 It is NSFAS's **vision** to be a model public entity that provides financial aid to **all** eligible public university and Technical and Vocational Education and Training (TVET) college students from poor and working class families. It achieves this by administering the funding allocated on behalf of various national and provincial departments, other public entities, non-governmental organisations and corporate South Africa.
- 2.3 This vision has been translated into a **mission statement** which promises to “transform NSFAS into an efficient and effective provider of financial aid to students from poor and working class families, in a sustainable manner that promotes access to, and success in, higher and further education and training, in pursuit of South Africa’s national and human resource development goals.
- 2.4 The mission statement is made up of three distinct **elements** which describe why NSFAS exists, what we do, and the impact on our constituency:
- NSFAS exists to provide financial aid to eligible students at public TVET colleges and public universities;
  - NSFAS identifies eligible students, provides loans and bursaries and collects student loan repayments to replenish the funds available for future generations of students.
  - NSFAS supports access to, and success in, higher education and training for students from poor and working class families who would otherwise not be able to afford to study.
- 2.5 In respect to this, the NSFAS Board have adopted five key areas of strategic focus for the academic years 2016 to 2020. These include:
- The effective roll-out of the student centred model to 100% of all students funded by the academic year 2018;
  - The improvement of our fund-raising capabilities;
  - The improvement of our recoveries;
  - The improvement of the NSFAS organisational culture and employee engagement; and
  - The improvement of efficiencies in the disbursement of loans and bursaries.

## Purpose of the NSFAS Handbook

- 2.6 This Handbook is intended to provide clarity on the rules and regulations pertaining to the granting of loans and bursaries within the student centred model. This handbook must be read in conjunction with the NSFAS Student Funding Policy and the NSFAS Policy on Students with Disabilities as approved by the NSFAS Board, and updated from time to time. This Handbook should also be read in conjunction with the NSFAS Handbook 2016.
- 2.7 Where this Handbook is silent, the NSFAS Act 56 of 1999 and any amendments to this Act must guide all regulations and rules adopted by universities and colleges and/or funders in their internal admissions and funding regulations where these concern students that are funded by the NSFAS.
- 2.8 The Handbook will be complemented by an Institution User Guide. This Handbook is applicable to both universities and TVET colleges.

## Definition of terms used in this Handbook

- 2.9 The following table reflects definitions included within the Student Funding Policy that are relevant in this Handbook:

Term	Definition
<b>Board</b>	The accounting authority of NSFAS is the Board, appointed by the Minister, who is accountable to Parliament.
<b>Bursary</b>	A form of financial support, such as a grant, awarded to a student in need that does not need to be paid back, but which may have contractual work-back commitments.
<b>Citizen</b>	As per the South African Citizenship Amendment Act (1 of 2010), a citizen by birth is one “who immediately prior to the date of commencement of the South African Citizenship Amendment Act, 2010, was a South African citizen by birth; or who is born in or outside the Republic, one of his or her parents, at the time of his or her birth, being a South African citizen, shall be a South African citizen by birth.”  “Any person born in the Republic of parents who have been admitted into the Republic for permanent residence and who is not a South African citizen, qualifies to be a South African citizen by birth, if- (a) he or she has lived in the Republic from the date of his or her birth to the date of becoming a major; and (b) his or her birth is registered in the Republic in accordance with the Births and Deaths Registration Act, 1992 (Act No. 51 of 1992)”
<b>Continuing Student</b>	Currently registered and funded students returning to the university/TVET colleges for the next academic year. This has been differentiated from a returning student, who is a senior student who is not currently funded by NSFAS, or who has taken a gap year, and needs to re-apply for funding in the student centred model.
<b>Course of study</b>	This is a degree, diploma or certificate programme offered by a public university or TVET college. It refers to the name of the qualification to be received by the student upon completion of all relevant modules or subjects.
<b>Courses passed rate</b>	This is the current criterion for academic progression. It is the percentage of the courses/modules/credits passed in any one academic year, over the total number of courses/modules/credits



Term	Definition
	registered for in that same year.
<b>Credit Committee</b>	This is an internal NSFAS committee, appointed by the Executive Officer of NSFAS, responsible for the identification, measurement, management, and monitoring of credit risk and decisions affecting the management of NSFAS credit.
<b>Expected Family Contribution</b>	This is the value derived from the NSFAS financial means test which is an indicator of how financially needy students are in relation to one another. It is a statement of the value that a family could be expected to contribute to the costs of higher education based on their available household income
<b>Family household income</b>	It is a measure of the combined income of the parents of the prospective student (applicant) applying for financial aid, who are sharing the household or place of residence listed by the applicant as his/her place of residence. It includes every form of income, both from the formal and informal sector (e.g., salaries, wages, retirement income, near cash government transfers like food stamps, grants, business incomes and investment gains). This may include a guardian so appointed by the State who is not living with the family but contributing directly to the household income of the family. This may also include a grandparent receiving a grant to support children whose parents are absent/deceased.
<b>Fraud</b>	This is the unlawful and intentional making of a misrepresentation which causes actual and/or potential prejudice to another.
<b>Full cost of study (FCS)</b>	This includes the registration fees (where applicable), tuition fees and residence fees (both on-campus and off-campus) set by the institution. Allowances as permitted by NSFAS and/or the funder and/or the institution are also included as part of the full cost of study calculation.
<b>First time entering student</b>	This is a student who is applying for academic admission to the institution for the first time, either directly from school or otherwise.
<b>Funder</b>	These are government departments (national, provincial and local), government agencies, Sector Education and Training Authorities (SETAs), private companies and philanthropic organisations that have signed an agreement with NSFAS to provide funding for loans and bursaries to be administered through NSFAS. This may be read to broadly include any individual or organization financing a part or all to a student offer or student grant administered by NSFAS on its behalf NSFAS on its behalf.
<b>Funded Programmes</b>	Approved undergraduate and/or postgraduate programmes, offered by public institutions that are funded by the DHET. For universities, these are programmes listed on the university PQM as approved by the Minister. For TVET colleges, these are limited to the NCV and Report 191 programmes authorised by the DHET for funding.
<b>Higher education</b>	All learning programmes leading to qualifications higher than grade 12 or its equivalent in terms of the National Qualifications Framework as contemplated in the South African Qualifications Authority Act 58 of 1995, and includes tertiary education as contemplated in Schedule 4 to the Constitution
<b>Institution</b>	Any public university (as defined by the Higher Education Act 101 of 1997) or TVET college (as defined in the Continuing Education and Training Amendment Act 1 of 2013) that is established or declared as a public institution.
<b>Loan</b>	A form of financial support granted to a person by the NSFAS in order to enable the person to defray the costs connected with his/her education at a designated higher education institution, and those connected with the board and lodging of that person for the purposes of attending the institution. Loans need to be repaid by the student.
<b>Loan Agreement Form</b>	This is the loan agreement documentation between the student and

Term	Definition
	NSFAS, and includes the pre-agreement statement and quotation as required by the National Credit Act. Written agreements must be entered into between NSFAS and every student.
<b>Loan Fraud</b>	Any intentional and material misstatement, misrepresentation or omission relied upon by NSFAS to determine and effect a loan or bursary payment to a student. This includes purposively giving incorrect information on a financial aid application to better qualify for financial support. This also includes acts in which the student/applicant makes an affidavit on behalf of their parents.
<b>Means test</b>	A measure utilised to determine the household financial means for student funding.
<b>Means-test waived</b>	This is a measure/indicator adopted by NSFAS as a proxy for financial need. Where the proxy conditions are met, the student will not be subjected to the NSFAS financial means test.
<b>NCV and NATED (Report 191) programmes</b>	<p>These are programmes offered by the public TVET colleges. The NCV (National Curriculum Vocational) programmes were introduced in 2007, and are in a variety of vocational fields. The programmes are intended to directly respond to the priority skills demands of the South African economy. The National Certificate Vocational is offered at Levels 2, 3 and 4 of the National Qualifications Framework (NQF).</p> <p>NATED / Report 191 programmes are delivered under the auspices of the Department of Higher Education and Training and quality assured by Umalusi. The programmes consist of 18 months theoretical studies at colleges and 18 months relevant practical application in work places. Engineering studies range from N1 – N6 while Business and Utility Studies range from N4 – N6.</p>
<b>N+2 rule</b>	N is the minimum qualification completion time (also known as regulation time) specified by the university for a programme of study. Most academic programmes in contact universities are either N=3 or N=4.
<b>Potential to succeed</b>	A student is considered as one with the potential to succeed when he/she has been accepted into a university based on past academic capabilities (a proven academic track record), and is both socially and scholastically prepared for tertiary education.
<b>Programme Qualification Mix</b>	The list of DHET-approved and funded university-level programmes and qualifications.
<b>Qualifying student</b>	This is a student who has applied for NSFAS funding, has been means-tested or means-test waived, has an EFC, has been admitted to the university and who has met the academic criteria for continued funding
<b>Quintiles</b>	All South African public ordinary schools are categorised into five groups, called quintiles. Quintile 1 is the 'poorest' quintile, while quintile 5 is the 'least poor'. Schools in quintiles 1, 2 and 3 have been declared no-fee schools, while schools in quintiles 4 and 5 are fee-paying schools.
<b>Repo rate</b>	The interest rate at which the South African Reserve Bank lends to commercial banks.
<b>Schedule of Particulars</b>	This is the bursary grant agreement between the student, NSFAS and/or the funder. Written agreements must be entered into between NSFAS and every student.
<b>Self-supporting</b>	A person who was in full time employment and self-supporting for at least three years before registering at the university
<b>Top-slicing</b>	This is a distributive mechanism employed by institutions to spread the allocation granted by NSFAS to all qualifying students, with all students receiving less than the full recommended tuition amount as determined by the means test.
<b>TVET College</b>	Technical and Vocational Education and Training Colleges as

Term	Definition
	established by the Further Education and Training Act 16 of 2006 (replaced the Further Education and Training Act 98 of 1998).
<b>University</b>	This means any university established, deemed to be established or declared as a university under the Higher Education Act 101 of 1997, and/or subsequent amendments. As per the NSFAS Act, a “designated higher education institution” means a higher education institution with which the NSFAS has entered into an agreement in terms of section 20 of the Act.

## Common abbreviations used in this Handbook

2.9 The following table reflects common abbreviations used throughout this Handbook:

Acronym	Description
<b>DAFF</b>	Department of Agriculture, Forestry and Fisheries
<b>DBE</b>	Department of Basic Education
<b>DHA</b>	Department of Home Affairs
<b>DHET</b>	Department of Higher Education and Training
<b>DMV</b>	Department of Military Veterans
<b>DoJCD</b>	Department of Justice and Constitutional Development
<b>DSD</b>	Department of Social Development
<b>DU</b>	Disability Unit
<b>ECP</b>	Extended Curriculum Programme
<b>EFC</b>	Expected Family Contribution
<b>EO</b>	Executive Officer
<b>FAO</b>	Financial Aid Officer
<b>FAC</b>	Financial Aid Committee
<b>FCS</b>	Full cost of study
<b>FICA</b>	Financial Intelligence Centre Act (38 of 2001)
<b>FMT</b>	Financial Means Test
<b>HEI</b>	Higher Education Institution
<b>HEDSA</b>	Higher and Further Education Disability Services Association
<b>ID</b>	Identity Document
<b>LAF</b>	Loan Agreement Form
<b>MOU</b>	Memorandum of Understanding
<b>MTW</b>	Means Test Waived
<b>NATED</b>	National Accredited Technical Education Diploma (Report 191)
<b>NCA</b>	National Credit Act (34 of 2005)
<b>NCR</b>	National Credit Regulator
<b>NCV</b>	National Certificate Vocational
<b>NDP</b>	National Development Plan
<b>NRF</b>	National Research Foundation
<b>NSDS</b>	National Skills Development Strategy
<b>NSF</b>	National Skills Fund
<b>NSFAS</b>	National Student Financial Aid Scheme
<b>PAJA</b>	Promotion of Administrative Justice Act (3 of 2000)
<b>PASQ</b>	Pre-agreement statement and quotation
<b>PDA</b>	Protected Disclosures Act (26 of 2000)
<b>PFMA</b>	Public Finance Management Act (1 of 1999)
<b>PGCE</b>	Post Graduate Certificate in Education
<b>POPI</b>	Protection of Personal Information (Act 4 of 2013)

Acronym	Description
<b>PQM</b>	Programme Qualification Mix
<b>PSET</b>	Post School Education and Training
<b>RICA</b>	Regulation of Interception of Communication and Provision of Communication-Related Information Act
<b>SAICA</b>	South African Institute of Chartered Accountants
<b>SARS</b>	South African Revenue Services
<b>SAPS</b>	South African Police Services
<b>SASL</b>	South African Sign Language
<b>SETA</b>	Sector Education and Training Authorities
<b>SOP</b>	Schedule of Particulars
<b>TRC</b>	Truth and Reconciliation Commission
<b>TVET</b>	Technical and Vocational Education and Training
<b>UIF</b>	Unemployment Insurance Fund

### 3 Legislative Frameworks applicable to NSFAS

- 3.1. NSFAS continues to remain committed to its role in broadening access to post-secondary education and training for students whose families do not have the means to support their further and higher education aspirations, as part of government's commitment to the progressive realisation of access to higher and further education. Its' mandate is firmly established and regulated through the NSFAS Act 56 of 1999, its subsequent amendments, and any policies and/or regulations promulgated by the DHET or the NSFAS Board.

#### The Constitution of South Africa Act 1 of 1996

- 3.2. Section 29 (1) of the Constitution protects the right to basic and further education for everyone. Specifically, it deems that everyone has the fundamental right to basic education (including adult basic education), while further education must be made progressively available and accessible by the State through reasonable measures.
- 3.3. While Section (1) (a) provides for an absolute right to basic education, Section (1) (b) requires that reasonable measures are in place to make further education progressively available and available, and as such, the establishment of NSFAS has provided for the realisation of the right to further education, using means testing as a mechanism for introducing reasonable measures.

#### The NSFAS Act 56 of 1999

- 3.4. The NSFAS Act establishes NSFAS as a national public entity with the intention to:
- Redress past discrimination and ensure representation and equal access.
  - Respond to human resource development needs of the nation.
  - Establish an expanded national student financial aid scheme that is affordable and sustainable.
- 3.5. The Act specifies its purpose as being to:
- Provide for the management, governance and administration of NSFAS.

- b) Provide for the granting of loans and bursaries to eligible students at public HEIs and for the administration of such loans and bursaries.
  - c) Provide for the recovery of loans.
- 3.6 The Act sets out the functions of NSFAS as being to:
- a) Allocate funds for loans and bursaries to eligible students.
  - b) Develop criteria and conditions for the granting of loans and bursaries to eligible students in consultation with the Minister.
  - c) Raise funds.
  - d) Recover loans.
  - e) Maintain and analyse a database and undertake research for the better utilisation of financial resources.
  - f) Advise the Minister on matters relating to student financial aid.
  - g) Perform other functions assigned to it by the Act or by the Minister.
- 3.7 Under the NSFAS Act, a governance framework is established through which a Board is appointed to execute the responsibility of being the Accounting Authority answerable to the Minister of Higher Education and Training. This Board serves a four-year term, and accounts not only to the Minister but also to Parliament, and the Portfolio Committee on Higher Education and Training.

### **The Public Management Finance Act 1 of 1999**

- 3.8 The purpose of the PFMA is to ensure that public funds are managed and spent effectively, efficiently and economically, within a framework that promotes accountability and transparency for the funding received from the State.
- 3.9 The PFMA requires that NSFAS puts in place sufficiently efficient and effective internal controls, in line with best practice, that will position it to assess and mitigate the risks faced by NSFAS in its origination, disbursement and recovery processes.

### **The Criminal Procedure Act 51 of 1977**

- 3.10 The purpose of the Criminal Procedure Act is to regulate procedures and related matters in criminal proceedings. In other words, the Act governs how criminal cases are handled in courts of law.
- 3.11 It has been amended through a number of different Act subsequent to the 1977 Act. These are listed for reference purposes at <http://www.gov.za/documents/criminal-procedure-act-1977-26-mar-2015-1224>.

### **The Promotion of Access to Information Act 2 of 2000**

- 3.12 This Act gives effect to the constitutional right of access (Section 32 of the Constitution) to any information held by the State and any information that is held by another person **and** that is required for the exercise or protection of any rights.
- 3.13 It requires that organisations need to prepare a manual indicating what information can be made available, and what information is not available. This manual must be available online and to anyone who requests such a copy.
- 3.14 The Act cannot be used to obtain records which could be used in civil or criminal proceedings, but was intended to empower individuals to hold government to account for the provision of basic services, to gather information that can be used to exercise other rights, and to gather information that can be used as an advocacy tool. In addition, information provided in confidence, information that is unreasonable to disclose to a third party, commercial information, information that would affect national security and information that would affect the operation of a public body.

### **The Promotion of Administrative Justice Act 3 of 2000**

- 3.15 The PAJA aims to ensure that the administration of services to the people of South Africa are effective, fair and accountable, and promotes the rights of citizens to just administration.
- 3.16 This Act clarifies the provisions of the Constitution's Section 33 which ensures that people have the right to ask for reasons when administrative actions have had a negative impact on them (for example, the denial of student financial aid funding), and the right for citizens to have the outcome of an administrative action reviewed by the Courts.
- 3.17 It determines that any agency of the State (including public entities) follows fair procedures when deciding, and that it clearly explains any decisions taken, that it provides opportunities for relevant parties to voice their opinion before making decisions that may affect their rights. In addition, such agencies need to make available redress mechanisms (such as an appeals process), and where this is not available, citizens must be advised of their right to appeal to the court system to review a decision. And finally, it determines that citizens have the right to have the reason for a negative decision to be given to them in writing.

### **The Protected Disclosures Act 26 of 2000**

- 3.18 This Act is more commonly known as the Whistle-Blowers Act, as it provides legal protection for those employees who report unlawful or irregular conduct by their employer or fellow employees. These irregularities include:
- a) Criminal offences
  - b) Failure to comply with certain legal obligations
  - c) Miscarriages of justice
  - d) Endangering the health or safety of individuals, damage to the environment and
  - e) Unfair discrimination.

- 3.19 It protects such “whistle-blowers” from “occupational detriment” – which includes the following<sup>1</sup>:
- a) Being subjected to disciplinary action – including but not limited to, dismissal, suspension, demotion, harassment, intimidation;
  - b) Being transferred against his/her will, or being refused transfer or promotion, or being subjected to a term or condition of employment which is altered or kept altered to his/her disadvantage;
  - c) Being refused a reference, or being provided with an adverse reference, from his/her employer; and
  - d) Being denied appointment to any employment, profession or office.

## **The Financial Intelligence Centre Act 38 of 2001**

- 3.20 This Act came into effect in July 2003, and was introduced to fight financial crime, including money laundering, tax evasion and terrorist financing activities.
- 3.21 To effectively discharge its mandate in terms of money laundering, the Act requires that all South African financial services providers have the correct details for their customers, by establishing and verifying certain customer details. These sections are commonly known as the “know-your-customer” requirements.
- 3.22 Thus, all NSFAS applicants, students, debtors need to provide us with proof of their identity, their physical address and other contact details (updated and accurate), for NSFAS to validate their information. From time to time, these requirements may need to be updated. For many of the banks, the provision of this data must be supported by current (within three months) documentary evidence such as municipal accounts, utility accounts etc.
- 3.23 Certified proof of address could include any of the following forms:
- a) Bank statements (last three months);
  - b) A letter from a traditional authority confirming that an individual (or business) is permitted to reside (or operate) on communal land - signed by the relevant traditional authority and stamped with a stamp issued by government;
  - c) Any government issued document: e.g. court order, subpoena, traffic fine, etc. or documentation relating to UIF and/or pension payouts, etc.;
  - d) Correspondence from a Body Corporate / Share Block Association;
  - e) Documentation from an insurance or assurance company, e.g. life assurance, short term insurance, health insurance / medical aid, funeral policies, etc.;
  - f) Television license documentation;
  - g) Telephone account (e.g. Telkom);
  - h) SARS document which includes: a document produced by SARS or a document to be used for tax purposes, e.g. IT12S, IRP5, IT3b, etc.;
  - i) Rental / lease agreement;
  - j) Mortgage statement from another mortgage lender;
  - k) Investment statement from another Investment Provider, e.g. share, portfolio or unit trust statements; or
  - l) An affidavit deposed to by the person with whom the applicant resides.

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<sup>1</sup> Courtesy of [www.whistleblowing.co.za/legal/the-protected-disclosures-act/](http://www.whistleblowing.co.za/legal/the-protected-disclosures-act/)

- 3.24 FICA also provides for the use of alternative documents such as a valid passport, valid driving license, valid birth certificate and an affidavit and proof of re-application for an ID from the Department of Home Affairs.
- 3.25 In respect to NSFAS, FICA documentation should be ideally obtained at first contact with the borrower, but can be obtained at a later stage if there is a good reason for not obtaining it at the application stage.

## **The Prevention and Combating of Corrupt Activities Act 12 of 2004**

- 3.26 This Act as specifically put into place to prevent and fight corruption in government and in the private sector. There are three critical elements of the Act which are noteworthy, particularly in NSFAS' procurement of services.
- 3.27 Firstly, it was put in place to create a register to prevent people who use corruption from getting government contracts or tenders. As part of the Act, it requires people in positions of authority to report corruption over R100 000. And finally, it aims to prevent people in South Africa from using corruption to influence members of the public sector of other countries.<sup>2</sup>
- 3.28 It provides a definition of corruption and corrupt activities, and differentiates between general crimes of corruption and the specific crime of corruption in contracting.
- 3.29 The general crime of corruption covers both the following situations:
- a) An employee in the public or private sector using their position to assist someone get what they want (e.g. student funding) in return for money or a favour. In this case, the employee will be guilty of corruptions, as will the person accepting the offer (if they do so);
  - b) And the reverse applies too: a person offering an employee in the public or private sector money or favour to help them get something that they want is then guilty of corruption, and if the employee accepts the offer, they will also be guilty of corruption.
- 3.30 Crimes related to contract agreements between two parties include both the offer of money/favour to influence who gets a contract and the dishonest fixing of pricing or other money in the contract. Within the public sector, this Act also includes crimes related to being a member of a public body and getting or holding a private interest in a contract with that public body (unless the contract of employment of the public employee does not say it may not hold an interest in a private company doing business with the public body).

## **The National Credit Act 34 of 2005**

- 3.31 The National Credit Act applies to all credit agreements involving individuals, where there is some deferral of repayment, and where there is a fee (including interest) for the deferred payment arrangement.<sup>3</sup>

<sup>2</sup> Source: <http://www.nacf.org.za/guide-prevention-combating-corrupt-activities/introduction.html>

<sup>3</sup> Source: [https://www2.deloitte.com/content/dam/Deloitte/za/Documents/governance-risk-compliance/ZA\\_OverviewOfTheNationalCreditAct\\_16042014.pdf](https://www2.deloitte.com/content/dam/Deloitte/za/Documents/governance-risk-compliance/ZA_OverviewOfTheNationalCreditAct_16042014.pdf)



- 3.32 Three types of credit agreements are distinguished in the Act – whereby NSFAS credit would be considered a credit transaction, since it is incidental credit in the form of an unsecured loan.
- 3.33 The Act is enforced by the National Credit Regulator (NCR) whose responsibility is the administration of the Act. The Act also institutes the National Consumer Tribunal to adjudicate on matters raised to the Tribunal.
- 3.34 The NCA mandates that all credit providers must register with the NCR.
- 3.35 It protects specific consumer rights, particularly protection against discrimination, the right to information about the credit agreement, the right to information about the refusal or discontinuation of credit, and the right to receive copies of the agreement in either online or hardcopy form.
- 3.36 The NCA also restricts the provision of credit to minors, mentally unfit, or subject to a debt administration order. Such credit agreements will be unlawful and therefore unenforceable, and the debtor will not be required to pay back the money advanced under the terms of that agreement.
- 3.37 In addition, under the Act, the credit provider must provide a prospective debtor with a pre-agreement statement and quotation (PASQ) for the cost of the credit agreement, including the interest rates applicable and the repayment terms and conditions. This PASQ is only valid for five days and must be signed prior to the signing of the loan agreement itself. Students who agree to the cost of the NSFAS credit must sign the loan agreement form (LAF) within five days of signing the PASQ.
- 3.38 While the PASQ is only valid for five days, the NCA does not state how long the PASQ needs to be with the borrower before the conclusion of the loan agreement (in other words, before the LAF is signed). It is acceptable therefore for the PASQ to be presented for signing and initialling only moments before signing the LAF. It is recommended that both are signed at the time of origination.
- 3.39 If a student is a minor (under the age of 18 years), the PASQ and LAF must be signed/authorised by the parent and/or legal guardian.
- 3.40 The provisions of the LAF are included by reference in the PASQ (mutually inclusive).
- 3.41 The full final approved loan amount must be on the PASQ and the LAF before signing the document.
- 3.42 As required by the NCA, NSFAS' details must be on the PASQ and the LAF, including the full name of the entity, the physical address, telephone number and the NCR number (no. 2655).
- 3.43 As a developmental credit provider, NSFAS is not bound by the provisions of the NCA in respect to reckless credit lending, as NSFAS is not required to undertake an assessment of the student's ability to meet the repayment obligations of the agreement, as the credit

instalments are deferred, subject to income and employment at a future date not known at the time of signing the agreement.

## **The Children's Act 38 of 2005**

- 3.44 The Children's Act provides the following definitions which are useful for noting by NSFAS:
- a) Child – a person under the age of 18 years;
  - b) Caregiver – any person other than a parent or a guardian who factually cares for a child (including foster parents, temporary safe custody, head of shelters or child and youth care centres, child and youth care workers, children who are heads of households);
  - c) Family member of a child – means the parent, any other person who has parental responsibilities and rights in respect to the child, grandparent, brother, sister, aunt, uncle, cousin, or any other person with whom the child has a significant emotional or psychological attachment;
  - d) Guardian – means a parent or other person who has guardianship of a child;
  - e) Guardianship – as contemplated in section 18 of the Act;
  - f) Mental illness – as defined in the Mental Health Care Act 17 of 2002; and
  - g) Parent – includes the adoptive parent of the child, but excludes a biological parent where child conceived through rape or incest, or a gamete donor for purposes of artificial insemination, or whose parental responsibilities and rights have been terminated.
- 3.45 The Children's Act places responsibility on the parents or guardian to maintain a student child during tertiary studies, even if the student is older than 18 years old.

## **Tax Administration Act 28 of 2011**

- 3.46 Chapter 6 (sections 67 – 70) concerns the confidentiality/disclosure of information held by SARS specifically. It deems that information (defined as "information generated, recorded, sent, received, stored or displayed by any means") provided by or obtained by SARS in respect to a taxpayer cannot be disclosed to any other party, other than those covered in sections 69 to 71.
- 3.47 In support of the NSFAS Act, Section 70 (2) of the Tax Administration Act provided NSFAS with information related to the contact details of the employer of a person to whom a loan or bursary was issued. However, the SARS notice issued in July 2016 relates to Section 70 (4) of the Tax Administration Act in which NSFAS is now included in the list of statutory bodies that can request taxpayer information from SARS. At this stage, this excludes financial information (such as salary).
- 3.48 It is recommended that, to obtain information from SARS regarding the financial information of the applicant and/or his/her parents, a field is included on the application process which requests the parent/guardian to consent to NSFAS obtaining information from SARS on that person's income status. The following wording has been recommended:

NSFAS requires personal information from SARS relating to the employment status and level of income of the parents or guardians of the applicant. NSFAS is committed to ensuring that the personal information obtained from SARS is treated confidentially and to protecting the privacy of the persons whose personal information is obtained from SARS. NSFAS is further committed to protecting the personal information and to use that personal information in a lawful and transparent manner.

The personal information obtained from SARS will only be used:

- to assess and process the applicant's application and to ensure that the applicant receives the appropriate level of financial support from NSFAS;
- to confirm and verify the identity of the parents or guardians of the applicant;
- for legal proceedings;
- for audit and record keeping purposes; and
- for debt tracing and/or debt recovery purposes.

I/We..... and .....  
the parent/s or guardian/s of the applicant, hereby give consent under section 69(6)(b) of the Tax Administration Act, 2011, that my/our taxpayer information in the records of the South African Revenue Service may be disclosed to NSFAS to the extent that it relates to my/our employment status and my/our levels of income.

## The Protection of Personal Information Act 4 of 2013

- 3.49 The purpose of POPI is protect personal information processed by public and private bodies, and recognises that everyone has the right to privacy, which includes the right to protection against the unlawful collection, retention, dissemination and use of personal information.
- 3.50 Simply said, this means that all South African organisations must behave responsibly when collecting, processing, storing and sharing other entities personal information, by holding them accountable should the information be abused or compromised in any way.
- 3.51 In other words, NSFAS applicants/students/debtors can choose when and how they share their information with NSFAS, and their consent is required to collect different types of information, that may be used for different purposes. The purpose for which the personal information is being used must be disclosed.
- 3.52 It is important to note that in the drafting of all applications for funding (both online and hardcopy), consent to process the documents and information supplied in the application process must be obtained from the applicant. In this, NSFAS needs to specify the purpose of the information (e.g. purpose of assessing applicants' eligibility for funding and/or for purposes of research/monitoring and evaluation), and must also state whether and what information may be shared with a third party (e.g. credit bureau, criminal records, qualification checks, research etc).
- 3.53 In addition, organisations must put in place measures to ensure that there is no unauthorised access to personal information, and that there must be adequate measures and controls in place to safeguard personal information that is stored to protect it from being stolen or compromised.

- 3.54 Further to this, the integrity and continued accuracy of the personal information being stored must be maintained.
- 3.55 Personal information is interpreted – in respect of NSFAS’ business requirements - to include the following:
- a) ID number and/or passport number;
  - b) Date of birth and age, gender, ethnicity, race;
  - c) Contact details (phone numbers, email addresses, physical addresses);
  - d) Online identifiers;
  - e) Marital relationships, family relationships;
  - f) Criminal record and/or administrative order information;
  - g) Employment history, salary information, other financial information;
  - h) Educational information – such as qualifications, school attendance etc.; and
  - i) Physical and/or mental health information – such as disability etc.
- 3.56 It is critical to note that the Act defines a “unique identifier” to be data that uniquely identifies that data subject in relation to that responsible party”. POPI is also not only applicable to natural persons (i.e. individuals) but any legal entity, including companies and other legally recognised organisations.

## **The Public Administration Management Act 11 of 2014**

- 3.57 This Act promotes a high standard of professional ethics and integrity in public administration. It prohibits those who work in public service from conducting business with the State, and makes it a requirement that all employees disclose their financial interests.

## **4 Policy-planning frameworks applicable to NSFAS**

- 4.1. The following strategically critical pieces of work have been produced which inform the priorities for NSFAS and the DHET:
- The National Development Plan 2030
  - White Paper for Post School Education and Training; and
  - The National Skills Development Strategy (NSDS) III.

### **The National Development Plan 2030**

- 4.2. The National Development Plan (NDP) - 2030 provides the policy framework within which NSFAS has developed its strategic plan. As a response to the human development challenges faced by the country, the NDP aims to eliminate poverty and reduce inequality by 2030 by:
- Raising employment through faster economic growth;
  - Improving the quality of education, skills development and innovation; and
  - Building the capability of the state to play a developmental, transformative role.

- 4.3. On improving education, skills development and innovation, the NDP further provides a broad framework for student financial aid in South Africa, by proposing that all students “who qualify for the National Student Financial Aid Scheme (are provided) with access to full funding through loans and bursaries to cover the costs of tuition, books, accommodation and other living expenses”.
- 4.4. It further goes on to propose that NSFAS recoveries should be facilitated through “arrangements with the South African Revenue Service”.

## **The White Paper on Post-Secondary Education and Training**

- 4.5. The first policy paper for higher education was promulgated in 1997, and sought to translate Section 29 of the Constitution into an implementation framework. White Paper 3 of 1997 defined “basic education” as compulsory schooling from pre-school to the ninth grade, and “further education” was defined as post-compulsory grade 10 and beyond.
- 4.6. White Paper 3 on Higher Education was the mandate and responsibility of the then Department of Education.
- 4.7. The 2012 White Paper outlines the priority focus areas for the DHET, defining these as expanding access, improving quality, increasing diversity and creating opportunities for workplace-based learning. It aims to do this by to raising university enrolments from the current 937,000 to 1, 6 million by 2030, to achieve a participation rate in higher education of 25%, per the White Paper. The target for TVET colleges and other post- school institutions is 2,5 million students - a four-fold increase over current numbers.
- 4.8. Central to this expansion in the number of seats is the provision of financial aid to needy students through NSFAS to ensure maximum access to post school education.

## **The National Skills Development Strategy III**

- 4.9. The key driver of this strategy is improving the effectiveness and efficiency of the skills development system. This strategy represents an explicit commitment to encouraging the linking of skills development to career paths, career development and promoting sustainable employment and in-work progression.
- 4.10. It is through the NSDS that the funding for student financial aid through leveraging SETA funding was made possible, and this will continue to provide guidance in respect to prioritising the development of scarce and critical skills.

## **The NSFAS value chain and strategic outlook**

- 4.11. This understanding has been translated into two strategic outcomes orientated goal statements:

**1** Firstly, NSFAS is working towards becoming an efficient and effective public entity in providing student financial aid, which will be achieved by implementing progressively more effective and efficient processes and operations, thereby ensuring that stakeholder objectives are addressed and met. This will be demonstrated by clean audits that will provide assurance that robust systems, processes and controls are in place; that governance structures are effective and efficient, and that the employees are engaged and productive.

**2** Secondly, NSFAS is working towards facilitating increased access to higher education and an improved student financial aid environment. To achieve this, NSFAS needs to increase access to funding for eligible students by raising funds, maximising loan recoveries and creating a student-centred loans and bursaries model through improved communication support for students and a central application process. The achievement of this goal will be evidenced when an increased number of loans and bursaries are disbursed and when the capital available for disbursement has been augmented by new funding. Key to ensuring this is improved stakeholder engagement and communication, and better client service management.

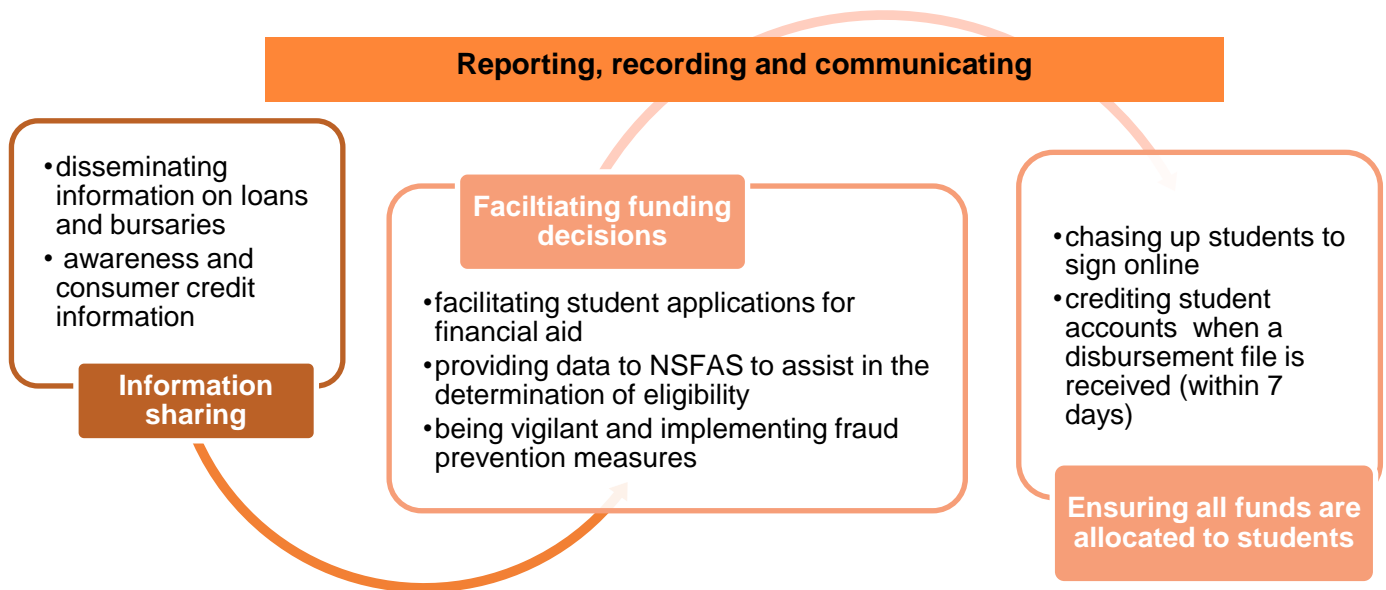
## **5 Roles and responsibilities of NSFAS and its' stakeholders**

### **The Financial Aid Office (FAO)**

5.1. While the new student centred model gives NSFAS full responsibility for the application process for new students and previously funded students, the role of the management and financial aid staff at all universities and colleges remains critical for NSFAS. Together, NSFAS and the financial aid offices must ensure that funding allocated by government and other funders is administered effectively and efficiently and that students are not further marginalised or poorly treated by the inconsistent adoption of NSFAS rules and regulations and/or by fraudulent activities and corruption in the allocation of financial aid through NSFAS.

5.2. Financial Aid Offices partner with NSFAS through:





### The Role of the Financial Aid Committee

- 5.3. The Financial Aid Committee at the institution is a group of individuals delegated to oversee all financial aid processes and procedures for the institution. In the student centred model, this role is limited to that of managing the appeals process and an advocacy and communication role.
- 5.4. The establishment of the FAC is detailed in the NSFAS Handbook 2016.
- 5.5. The FAC is required to:
- Keep records of all meetings (minutes), which may be required for audit purposes, especially in respect of decisions which impact on the bursary / loan awards to students;
  - Monitor the academic progress of all loan and bursary recipients and communicating these results to NSFAS;
  - Implement an appeals process for applicants; and
  - Forward recommendations for approval to NSFAS.
- 5.6. While NSFAS is dependent on the financial aid office for promoting the availability of NSFAS financial support to prospective students and for providing support to students, financial aid offices are not NSFAS offices, and institutions **must carefully assess their branding** and designations to ensure that students understand this.

### Grant Agreement between NSFAS and universities/TVET colleges

- 5.7. For institutions to administer NSFAS funds within the new student centred mode, a grant agreement/service level agreement/memorandum of agreement must be signed and updated as required. This document indicates the relationship between NSFAS and the institution in terms of which NSFAS authorises these institutions, among other things, to administer NSFAS loans and bursaries to students.
- 5.8. Accordingly, if the institution fails or refuses, for whatever reason, to comply strictly with all the provisions of the Handbook, NSFAS will be entitled, summarily and without prejudice to any other right it may have in law (including its right to claim damages from the Institution):

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- a) To suspend the authorisation granted to the institution in terms of this agreement, and withhold payment, in whole or in part, of student grants to the Institution; and/or
- b) To cancel this agreement, thereby denying students of the Institution access to NSFAS student grants.

5.9. The institution **must** permit NSFAS or its agents, on request at any reasonable time, and from time to time, to inspect and make copies of all records and data held by or under the control of the Institution (including electronic data), which relates in any way to any matter contemplated in the agreement or the Handbook, to enable NSFAS to ascertain whether the institution has complied or is complying with its obligations.

## NSFAS Non-Negotiables – Principles and Policies

5.10. The NSFAS Strategic Plan outlines the following core values embraced by NSFAS for its students:

**Accessibility** - We create an environment that allows efficient, effective and direct access to NSFAS and the funding it provides to eligible students.

**Transparency** - We are open and honest with all students and stakeholders.

**Affordability** - We offer affordable solutions for students to study at public universities and TVET colleges.

**Reliability** - We honour our commitments and strive to deliver on our mandate.

**Authenticity** - We protect our students and stakeholders by offering quality services and information.



### Reliability

- Students, no matter which Financial Aid Officer/Contact Centre agent they speak to (whether at the university/college or NSFAS), should always be assured that the information and responses provided will be consistent and accurate.
- Students should know that once their agreement has been signed, it will be paid.



### Authenticity

- All efforts should be made to ensure that the NSFAS rules and regulations are applied consistently across all universities so that students across campuses know and understand what NSFAS offers, to whom and why. This is in line with principles of "treating customers fairly."
- All students should know and trust that the Financial Aid Office on campus and the NSFAS Contact Centre has their best interests at heart.

to ensure that the student representative council is informed and updated regularly about all policy and process changes and instructions from NSFAS.



### Affordability

- No student should receive a loan or bursary in excess of his/her required cost of study. Students need to understand that poor academic performance will increase the cost of their loan from NSFAS, and take longer for them to complete their degree/diploma.
- Students who can afford other loan products or who are offered bursaries should not be considered for a NSFAS loan as this will increase their debt burden. Bursaries should always be offered before loans, where possible.



5.11. The NSFAS mission statement includes the following as one of its core elements:

“NSFAS supports access to, and success in, higher education and training for students from poor and working class families who would otherwise not be able to afford to study”.

5.12. In line with this statement and the NSFAS core values, all decisions related to the management of the student financial aid at institutions need to be made bearing in mind the interests of students who cannot, through any reasonable means, afford access to higher education but who have the academic potential to succeed in higher education and graduate, thereby driving and contributing to the broader social and economic growth and development opportunities available.

### Principles

5.13. These values and the mission statement inform a set of principles that must be used to guide the policies and practices of financial aid administration, both at university and TVET college level, and at NSFAS. These principles are as follows:

- a) The student who **needs and deserves** financial assistance is the centre of all policies and practices;
- b) No student who does not need or deserve financial assistance should receive funding at the expense of one who does;
- c) Building relationships with students is critical – understanding who they are, and what they need to succeed at university/college and beyond;
- d) Seeing beyond the student at the institution to the leader, entrepreneur, professional of tomorrow so that they want to pay-it-forward by paying their loan;
- e) Continuously monitoring and measuring how the allocation to the institution can be distributed so that more students who need and deserve support can access it as required;
- f) Students should always know what to expect, because they are informed and engaged with regularly;
- g) Finding ways of being able to more effectively serve students by integrating technology into the processes and practices of financial aid; and
- h) Learning from each other – within and across institutions – to constantly find more effective and efficient ways of serving students.

### Policies

5.14. These principles are carried through the Handbook in the form of policies and position statements on how financial aid **must** be administered:

- a) All applicants for financial aid must be treated fairly and equitably no matter which institution they attend;
- b) Once students have demonstrated their financial position, there is little/no requirement for this information in subsequent years;
- c) NSFAS funding is only available to South African citizens, and not permanent residents;
- d) NSFAS funding is only available to students who have demonstrated their academic potential to complete their degree or diploma within the minimum time to complete (best case scenario) or are on track to complete within N+2. This includes an academic progression criterion of 50% of courses enrolled must be passed;
- e) NSFAS funding must be directed towards the students who demonstrated the greatest financial need, based on information provided by the students or verified through other sources;

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- f) NSFAS funding must be directed at students who are seeking their first opportunity to access higher education, not students who have already completed degrees or diplomas and are furthering their studies or making themselves more employable to the market;
- g) No policy of top-slicing may be adopted by NSFAS or its institutions; and
- h) To ensure fair and equitable distribution of the funding allocation to students, the NSFAS maximum cap applies to all universities (unless a deviation has been approved in writing by the NSFAS Executive Officer or a delegated authority) and in the case of the colleges, this is the cap as determined by the DHET.

### Practices

5.15 These policies translate into a range of practices and processes that must be in place to administer NSFAS financial aid:

- a) Institutions must give access to the NSFAS auditors on request for monitoring compliance to the policies and instructions from NSFAS.
- b) All efforts must be made to ensure that only students who **ARE** financially deserving are awarded financial support, and that students who submit false financial information are managed in accordance with both the NSFAS and the university policies.
- c) To apply the principle that all students need to have fair opportunity to apply, NSFAS must set and clearly communicate a closing date for all applications, and **NO** applications can be accepted after this date. Universities and TVET colleges should work with NSFAS to ensure that this closing date is well communicated to all prospective students. Exceptions are dealt with through the appeals process and only where valid motivations are provided.
- d) Academic potential must be assessed based on those students who demonstrate the greatest likelihood to complete their degree within the minimum time.
- e) Financial need must be assessed based on the EFC calculation, with students ranked from most negative to most positive.
- f) Where possible, NSFAS must adopt processes that will enable students to know in advance of registration whether their application has been successful.
- g) All costs must be added to the student fee account as close to registration as possible so that an assessment of the student's full cost of study can be determined.
- h) An appeals process must be in place for students who meet the parameters and criteria to ensure fairness in the evaluation of applications for financial aid.
- i) To ensure that students only receive the required amount of funding, and not more than this, loan or bursary amounts must be calculated based on actual allowed costs and allowances as recommended by NSFAS.
- j) Students must know the value of the loan or bursary that they are signing for.

### Identifying Risk Areas for Potential Fraud

5.16. In the administration of NSFAS loans and bursaries, it is our intention to minimise the potential for fraud. NSFAS requires that all universities and colleges administering NSFAS funding take every precaution to prevent fraudulent behaviour and ensure that strategic monitoring takes place on a regular basis.

#### Why the focus on fraud?

- 5.17. Over time, NSFAS has received several allegations of corruption and fraud involving recipients of financial aid through NSFAS.
- 5.18. Given the limited financial resources and the demand for financial aid from poor needy students, corruption and abuse of NSFAS resources not only robs financially needy students

of the opportunity of further studies, but also threatens the stability of the entire higher education and training sector.

### **Examples of reported fraudulent practices**

- 5.19. These are provided for the purposes of creating awareness, and is not an exhaustive list of fraudulent behaviours or indicators.
- 5.20. The following are examples of red flags to be aware of in the administration of aid:
- a) University staff (academic or administrative) colluding with students to falsify information on application to NSFAS (including falsifying documents provided to NSFAS);
  - b) Amending student fee accounts to inflate cost of study and under-reporting credit balance, paying the difference as a refund on courses cancelled;
  - c) Parents/guardians/caregivers falsifying salary or non-employment information; declaring absence/death of one/more parents from household; false affidavits or inflating family structure for lower expected family contribution;
  - d) Parents knowingly not disclosing full income on the student application;
  - e) Students signing on behalf of their parents or submitting false affidavits;
  - f) Students falsely declaring income information and family structure information;
  - g) Utilization of allowances for purposes other than originally intended; and
  - h) Merchants' purposeful maladministration of allowances for transport, books, meals and accommodation for self-benefit or improper use by students.
- 5.21. There are several risk indicators which could be used to identify potential fraudulent behaviours:
- a) Several uses of the same address, same telephone numbers across multiple unrelated student applications;
  - b) Several uses of the same ID address for different students (unless this can be traced to an internet café or one of the service points identified by NSFAS);
  - c) Claims of identity theft need to be verified by NSFAS and through the Department of Home Affairs and/or the South African Police Services (SAPS)
  - d) Affidavits received from the same SAPS official or other commissioner, on or about the same time and date
  - e) Same next-of-kin detail for multiple applicants with different surnames and/or residential addresses
  - f) Frequent contacts from the same student/parent to the NSFAS Contact Centre following up on the status of the application, signing of the agreement or payment, especially where this is aggressive, threatening or persistent.

### **Measures that should be adopted**

- 5.22. Ensure that the application form includes a parental consent section that ensures that parents and/or household members acknowledge that their personal information will be used in the assessment of financial means and which allows you to use credit bureau and/or SARS to check income information (some examples below):

NSFAS requires personal information from SARS relating to the employment status and level of income of the parents or guardians of the applicant. NSFAS is committed to ensuring that the personal information obtained from SARS is treated confidentially and to protecting the privacy of the persons whose personal information is obtained from SARS. NSFAS is further committed to protecting the personal information and to use that personal information in a lawful and transparent manner.

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The personal information obtained from SARS will only be used:

- to assess and process the applicant's application and to ensure that the applicant receives the appropriate level of financial support from NSFAS;
- to confirm and verify the identity of the parents or guardians of the applicant;
- for legal proceedings;
- for audit and record keeping purposes; and
- for debt tracing and/or debt recovery purposes.

I/We..... and ..... the parent/s or guardian/s of the applicant, hereby give consent under section 69(6)(b) of the Tax Administration Act, 2011, that my/our taxpayer information in the records of the South African Revenue Service may be disclosed to NSFAS to the extent that it relates to my/our employment status and my/our levels of income.

- 5.23. While it is understood that the applicant cannot provide consent on behalf of others to the financial aid office to verify information, it is rightful to expect of the students' parent or parents to consent to a right of verification on the part of the financial aid office (courtesy of a legal memorandum expressing a legal view on the matter, as obtained by Tshwane University of Technology, March 2015). However, NSFAS acknowledges that the parent cannot be forced to consent, and mechanisms may need to be explored to cater for students who either cannot obtain this information or who cannot get consent for verification from their parents or household members.
- 5.24. All applications must be accompanied by a certified proof of residential address, as required for FICA or RICA purposes – e.g. telephone bills, accounts and bank statements to confirm income and expenditure.
- 5.25. Where the student has indicated a sibling at same/other university/college, confirm registration with a colleague at that university/school.
- 5.26. Parents with high income levels and reported high levels of debt who are not under formal debt review must declare their full income. Failure to do so may constitute fraud. In addition, parents whose personal assets/net worth is high (but not declared as such), but who declare a business loss/loss in business income could also be deemed as misrepresenting their financial situation for improper gain.
- 5.27. Other strategies that will be explored and deployed when available:
- a) Using a web-service such as available from any credit bureaux to verify income details of the parents.
  - b) Daily review of applications received for unusual patterns or trends
  - c) Cross-reference information supplied to Admissions with information on the financial aid form (especially parent information, phone numbers, addresses etc.)
  - d) Cross-reference information provided in the current year with information provided in prior years
  - e) Regular updating of student and parent contact information during the qualification, at each interval when students visit the financial aid office, or student fees, or the cashier.

### **Principles and policies underpinning these measures**

- 5.28. These measures are intended to protect students, their families, the staff at the universities and NSFAS staff from wilful wrongdoing, and from exercising their intent to misrepresent the

ability of the student and his/her family to pay for their studies. In so doing, such actions will limit the funding available to students who are truly deserving of financial support.

- 5.29. It must be emphasized that it is the view of NSFAS that financial aid officers/NSFAS staff are not acting primarily in their own interests, but in the interest of fairness to all deserving applicants for financial aid.
- 5.30. NSFAS and/or the financial aid offices at the universities/TVET colleges rightfully expect all applicants to be honest and be mindful of the consequences of presenting false information to the university/TVET college/NSFAS.
- 5.31. If it does appear at some point during the application process or thereafter that the information provided is untrue, then the applicant should be investigated to establish whether the applicant was misled or him/herself wilfully committed fraud to induce the FAO and NSFAS into providing financial assistance. The results of such an investigation should guide NSFAS and the FAO in deciding whether to continue funding the applicant or to withdraw further funding and/or institute legal action.
- 5.32. Per the NSFAS Fraud Prevention Plan, “fraud” is an act of deception carried out for unfair, undeserved and/or unlawful gain, especially financial gain, the results of which are injurious to another party. Fraud includes acts wherein any person party to the process of applying for financial aid or managing financial aid support induces another person into fraudulent acts – induce is taken to mean “persuade, encourage, coerce, intimidate or threaten or cause a person”.
- 5.33. Any unethical, improper or unlawful behaviour, by either university/college staff/NSFAS staff or students/parents of students, that leads to one student who is not as deserving receiving funding at the expense of a student who deserves financial aid could be construed as “misuse” or as corrupt. This includes, but is not limited to, the following examples:
- a) Where allowances are paid to students who do not require an allowance (for example, where a student is not in residence or private accommodation and is claiming a meal allowance);
  - b) Deliberate refusal to report or act upon reports of irregular or dishonest conduct by NSFAS staff, students and/or their families, and institution staff;
  - c) Landlords or merchant vendors (for books, food) colluding with students by transferring the value of book allowances to students as cash;
  - d) FAOs or other university staff providing services to students such as accommodation or transport and receiving payment from NSFAS for this (unless where disclosed and authorised by the university – see the section on the Preventing and Combating of Corrupt Activities Act);
  - e) Maladministration of the disbursements/payments to institutions by the universities/TVET colleges; and
  - f) Serial-subject repeaters, non-attending students or students who cancel their registrations shortly before the examinations to lower the risk of a poor courses passed rate.
- 5.34. It is the view of NSFAS that the applicant, irrespective of his age, has the right to receive (financial) support from his or her parents, if they are not self-supporting. This includes the

right to education to become self-sufficient, and if it is within the means of the parents, education includes further and higher education.

- 5.35. “As an incidence of such right, the applicant is as of right entitled to ask of his or her parent or parents to assist him or her to access money that is available (as is the situation *in casu*<sup>4</sup>) for his tertiary education by making available to him/her detail of the parents’ ability to pay” (courtesy of a legal memorandum expressing a legal view on the matter, as obtained by Tshwane University of Technology, March 2015). “The parent is not entitled to refuse simply because the applicant is intent on disclosing the information to a third party.” (the institution, NSFAS or a credit bureau).

### **Creating awareness of the consequences of abuse, misuse and fraud**

- 5.36. A fraud hotline has been established, to which reports of suspected fraud, suspicious activities etc. must be reported. This includes a toll-free number (0800 203 900), a fax2email line (086 726 1681), a call-back number (072 595 9139) and an email address (nsfas@thehotline.co.za).
- 5.37. Use student communication channels such as campus newsletters, campus bulletin boards, social media to sensitize students to the risks associated with fraud, misuse and to create awareness of the measures in place to verify the information they are supplying. This applies equally to the risks associated with the use of cell phone-issued vouchers, pin-based transactions for allowances, or other such abuse.
- 5.38. Students should be encouraged to report behaviours that are improper, risky or unlawful. Suggesting a campus ombudsman to the Student Representative Council may be one mechanism to work collaboratively with student structures – through the Student Affairs directorate, the student Code of Conduct should be amended to include consequences and penalties (disciplinary measures) for student financial aid fraud.
- 5.39. Work with, and through, the Registrations/Admissions Desk to verify information being supplied for the purposes of admission, especially where they are picking up unexpected enrolment patterns.
- 5.40. Although not popular, partnerships with Faculty to monitor lecture attendance, practical/laboratory attendance would help to identify students not on campus (ghost students), and would provide an indication of which students may be at risk for cancelling subjects or failing subjects.

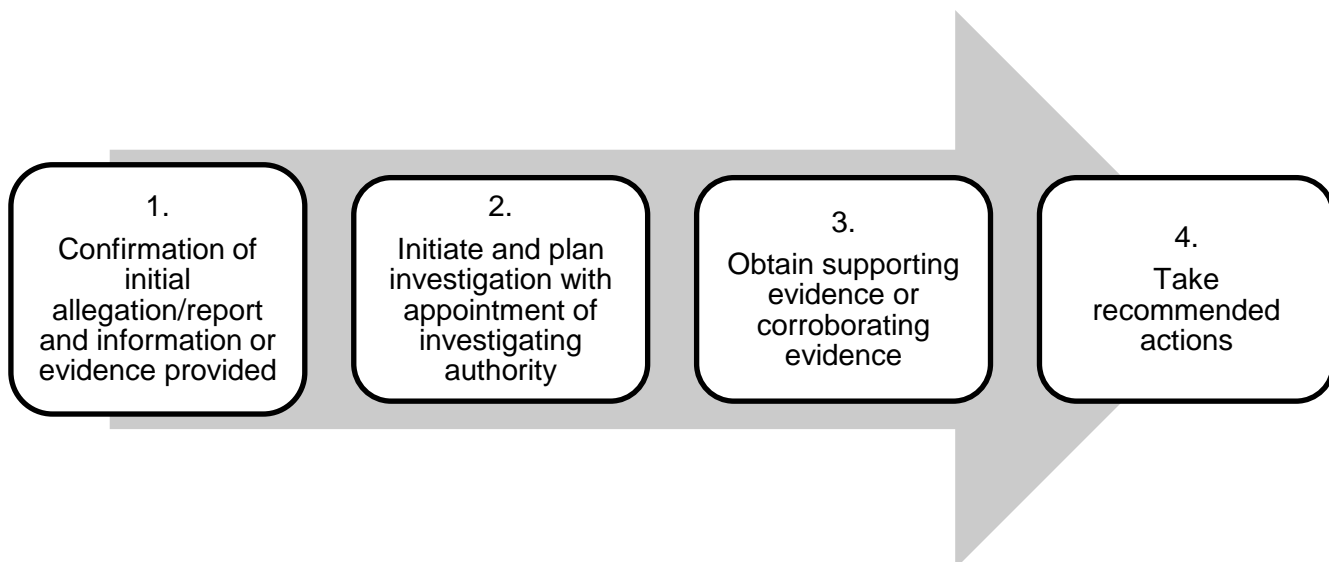
### **Steps in managing and applying consequences for fraudulent behaviour**

- 5.41. In the event of reported fraud/corruption, the university/TVET college/NSFAS must assign a responsible unit for performing the investigation of any fraudulent/corrupt activities. The first step is to confirm the veracity of the initial report by considering the integrity of the source of the information, the substance of the report and consider whether the person/s acted in bad faith. In the case of NSFAS, this is the responsibility of the Risk Office.

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<sup>4</sup> In the event, in the case provided - [https://en.wikipedia.org/wiki/List\\_of\\_Latin\\_phrases\\_\(I\)](https://en.wikipedia.org/wiki/List_of_Latin_phrases_(I))

- 5.42. In the event of student making false declaration, the university/TVET college/NSFAS must first confirm all facts in respect to this matter before working through existing student disciplinary channels. Should the nature of the offense give cause, the university/TVET college/NSFAS can exercise its right to refer all financial criminal activities to the SAPS Commercial Crimes Unit.



- 5.43. The NSFAS Board and/or the DHET will determine and apply appropriate sanctions to the funding allocated to the university once a full investigation has been undertaken and a report submitted to the NSFAS Risk and Audit Sub-Committee, NSFAS Finance Committee and the NSFAS Executive Committee.
- 5.44. The Student Funding Policy confers to the management and Board of NSFAS the power to refer any form of fraud and corruption to the law enforcement agencies in consultation with the affected academic institution. Suspected incidents of fraud and corruption must be managed in line with the NSFAS Fraud Prevention Policy.

## 6 Applying to NSFAS for funding

### Who Qualifies for Funding?

- 6.1 Only South African citizens<sup>5</sup> who are students registered for study at a South African public higher education institution or TVET college (Technical and Vocational Education College – TVET) are eligible for NSFAS funding.
- 6.2 Applicants are only eligible for funding if:
- 6.2.1 They have been accepted for admission to or are registered for an accredited, funded (on the university PQM) programme at a South African public university or TVET college;

<sup>5</sup> Permanent residents are not eligible for NSFAS-administered funding, but may apply via the university process, if the university has other access funding available.

- 6.2.2 Undergraduates studying towards their **first** higher education qualification, or studying for a postgraduate course required in order to practice in a professional field (e.g. PGCE) – the exception to this, is where postgraduate funding has been approved by a specific funder; and
- 6.2.3 A student able to demonstrate potential for academic success and that he/she is financially needy.
- 6.3. Only students studying towards their **first** higher education qualification or first TVET qualification, or studying for a postgraduate course required to practice his/her profession can receive funding from NSFAS<sup>6</sup>. The following such post-graduates programmes are currently considered a requirement to practice in a profession:
- a) Postgraduate Certificate in Education (PGCE)
  - b) LLB
  - c) MbChB
- 6.4. Students who have previously been funded to study their Report 191 or NCV programmes may articulate into university and receive funding for an undergraduate programme at a university.
- 6.5. No informal, short courses that are for non-degree/diploma purposes will be funded.
- 6.6. NSFAS does not fund BTech programmes (see later for exceptions) or other postgraduate programmes where these are considered as postgraduate studies that are not a requirement for professional registration and practice and are being undertaken to become more marketable. Other postgraduate studies may be funded only when NSFAS makes such an allocation available.
- 6.7. Only students who have duly completed all sections of the application form, along with all the supporting documents to NSFAS before the due date can be considered.
- 6.8. Only students who meet the academic requirements for the university/college will be eligible. For students being admitted to the university for the first time, academic admission is sufficient; for all continuing students, a minimum of 50% of all enrolled courses MUST be passed. In addition, for continuing students to be eligible, he/she must be on track to complete his/her full-time or part-time (UNISA<sup>7</sup>) first undergraduate degree/diploma within the N+2 timeframe, where N is the minimum qualification completion time as determined by the university<sup>8</sup>.
- 6.9. Only students whose financial need has been determined through the application of the NSFAS financial means test or who have been means-test waived and ranked accordingly should be offered financial aid. Students will be means-test waived if they are first-time entering students from quintile 1, 2 and 3 schools or if they are recipients of child support grants or disability grants administered through SASSA. Students who are means-test waived

<sup>6</sup> More detail on this criterion will be provided later in this section.

<sup>7</sup> For UNISA, a student registered for a three-year qualification may take up to 8 years to complete, and a four-year programme may take up to 10 years to complete. As such, the N is determined based on the information provided to NSFAS from the DHET and UNISA.

<sup>8</sup> Each level of study = 120 credits such that a typical 3-year degree will be 360-credits. In terms of UNISA's rules, this can take up to 8 years to obtain.



will have an EFC of 0. All updated income information for parents and/or legal guardians contributing to the income of the household for non-means test waived students MUST be reported and used in the financial means test.

- 6.10. MOST IMPORTANTLY, if there are insufficient funds to assist all financially needy applicants at an institution, preference SHOULD be given to those applicants whose financial need and potential to succeed is greatest.
- 6.11. Students **receiving full bursaries and scholarships from external sources** cannot be funded by NSFAS.
- 6.12. As a reminder, it is also important to note the following rules as set by NSFAS:
- a) Affidavits should remain a last resort measure and can only be undertaken by the parents or legal guardian – an affidavit MUST NOT be a declaration by the students themselves;
  - b) Next of kin does not refer to a girlfriend, boyfriend, friend or neighbour, but is the closest living relative not living with the student;
  - c) NSFAS uses the term “household” to describe those members of the students’ immediate and/or extended family that are living under the same roof, living off the wages/salary/grants earned by those contributing to the same household income. For the purposes of assessing household income, this may include a guardian so appointed by the State who is not living with the family but contributing to the household income. This may also include grandparents receiving a grant to support children whose parents are absent. Caregivers informally supporting a student are not obliged to provide their financial information, but all attempts to determine the extent of this support on the expected contribution of the students’ family to his/her study costs should be undertaken.
- 6.13. Applicants are not eligible for funding if:
- a) Students who have already graduated from a first undergraduate degree or diploma (regardless of whether student received funding from NSFAS previously);
  - b) Students who have received loans, bursaries or scholarships from non-NSFAS sources that cover the full cost of study;
  - c) The course of study is a BTech programme other than those listed in Circular 4 of 2017, and included in this Handbook;
  - d) Students enrolled for short-course certificates and qualifications (non-degree/diploma courses); or
  - e) Courses at private universities and colleges (unless on pre-selected list from funder, and an agreement is in place for this).

## Inviting applications for financial aid

- 6.14. The Institution User Guide provides a detailed walk-through of the application process. All first-time entering students applying to university or TVET for admission must be encouraged to apply at the same time for financial aid.
- 6.15. Applications can be made online at [www.nsfas.org.za](http://www.nsfas.org.za) or by downloading and printing the application form and sending it to NSFAS.

- 6.16. Applicants who are applying in the grade 12 year will be means-test waived if they are in a quintile 1, 2 or 3 no-fee school and/or recipients of a SASSA child-care grant or disability grant. In these cases, the applicants will have a 0 EFC. All other students will need to provide financial information to assess the extent of their financial need.
- 6.17. To assess financial eligibility for non-means test waived students, NSFAS requires the following information and documentation from a student who applies for, or is invited to apply for, a NSFAS loan:

Personal information	Family structure information	Household income information
<ul style="list-style-type: none"> <li>•including contact numbers, e-mail addresses, student's <b>mental fitness</b>, etc.</li> <li>•A certified copy of the student's <b>identity document</b></li> <li>•Applicant's current <b>home address</b> (the applicants's address during studying will be required for the loan or bursary agreement but will not necessarily been known at time of application)</li> <li>•<b>Postal/correspondence</b> address</li> <li>•<b>Administration order details</b> of applicants (not parents) where applicant has been placed under administration. This is a requirement of the National Credit Act (NCA).</li> </ul>	<ul style="list-style-type: none"> <li>•Details of <b>next of kin</b> (a relative or legal guardian, not living with the student)</li> <li>•<b>Details of parents and/or legal guardians</b> (initial, surname, home address and contact telephone number)</li> <li>•A certified copy of each parent's or legal guardian's <b>identity document or death certificate</b> where applicable</li> <li>•<b>Number of members</b> in the household (including unemployed dependents over the age of 21)</li> <li>•The <b>ages, education and employment</b> statuses of members in household (e.g. Primary School, Secondary School, university/TVET college).</li> </ul>	<ul style="list-style-type: none"> <li>•Parents and/or legal guardians (parents in the home who earn an income that contributes to supporting the family in the column alongside - whether <b>wage, salary, grant or other source of income</b> incl rental or business income; information <b>should not be more than 3 months old</b>)</li> <li>•Student, where applicable (this is still required, as the Children's Act has no bearing in determining the financial need of the applicant)</li> <li>•Sworn <b>affidavits</b> from parents / legal guardians are required where info cannot be substantiated with supporting documents. <b>Affidavits are a last resort.</b></li> </ul>

- 6.18. Please note: The documentation in relation to the IDs of all family members applies to first time applicants only, whereas it is assumed that for continuing students this information already exists. However, in the absence of these records, or where the family structure has changed in the year, NSFAS will request these from students.
- 6.19. The NCR requires and the NCA stipulates that no financial services provider can provide credit to a person that has been diagnosed or classified as mentally ill (medical diagnosis) or unfit (court judgement). It is for this reason that NSFAS is required to ask the question on our application forms. NSFAS is not able to evaluate or determine the mental state of any of its applicants but will have a legal foot to stand on if it is found that the debtor has been diagnosed and classified as mentally ill before applying for a NSFAS loan and would want to contest the loan on this basis, NSFAS will be able to refer to the signed documentation where this was not acknowledged by the debtor at the time of application.

- 6.20. On the Application form, **income information** refers to EVERY form of income received by the student, his/her spouse or parents/guardian at the time of application. Income of both the Informal and Formal sectors must be declared and verification of such income must be supplied. These can include salary slips, pension slips, grants (child, disability etc.) and where informal employment is indicated a bank statement of the last six months should be requested to determine income. Where parents/guardians operate in the agricultural sector or are private business/self-employed the last available financial statements and/or bank statements of the last six months must be submitted and analysed. It is recommended that where NSFAS is of the view that business income is not a true reflection of the family's ability to contribute, further supporting documentation such as the value of key household assets may be requested.
- 6.21. Supporting documents include:
- a) Proof of death if parent(s) or legal guardian(s) are deceased;
  - b) Proof of unemployment if parent(s)/legal guardian(s) are not formally employed;
  - c) Documented proof of legal guardianship in the case of extended families (deceased sibling's minor children taken in and cared for);
  - d) A certified copy of a South African identity document; and/or
  - e) It is **recommended** that proof of residence is obtained to confirm the residential address of the student as per the application form (within the last three months).

## 7 Making the funding decision

### What are some of the assumptions that have been adopted?

- 7.1. The processes for the allocation of funds to all currently funded students and the payments for these students will be complete by the end of the academic year 2016, meaning that NSFAS has data on all currently studying, currently funded students. These students have already been through a process in previous academic years in which they submitted their financial means test information and have been selected by their university or college for funding. Given sufficient funding, and their academic results, these students will be automatically eligible for funding in 2017 and will not need to re-apply for 2017. These students make up the **CONTINUING STUDENTS** (renewals) pool. These students have already been means tested, already have an EFC and are currently registered for the 2016 academic year.
- 7.2. Most universities and colleges have partnered with NSFAS in ensuring that first-time entering students applying for academic admission to the university and/or college have submitted a financial aid application to NSFAS. For the Colleges, this is also applicable to grade 9 to 11 learners applying for financial aid for the NCV or Report 191 programmes. And most universities and colleges will be starting the process of provisionally admitting Grade 12 learners, based on their June results. In addition, there are students currently studying who have not been previously funded by NSFAS or students who have taken a gap year/more, and are re-applying for academic admission and/or financial aid. These learners make up the **FIRST TIME APPLICANTS and RETURNING STUDENTS** pool.
- 7.2. The NSFAS system will only allow the applicant to apply once, and provides an option for five choices in terms of which university/college and which programme of study. The online

application form is submitted electronically when the applicant selects the option “Yes” once he or she completed the entire application form.

### **Assessing Academic Eligibility for Funding**

- 7.3. The following factors must also be considered when assessing the academic eligibility of a student for a NSFAS loan:
- a) If a first year student has been admitted to the institution, it can generally be assumed that the student has the potential to succeed, as he/she has met the requirements for admission as set out by the institution.
  - b) A minimum courses-passed rate of 50% for all major degree subjects that are credit-bearing. Students who do not achieve a courses passed rate of 50% in the year of study for which they have been funded will not qualify for further funding;
  - c) Students who consistently under-perform both in terms of actual courses-passed rate AND individual subject marks MUST NOT be considered for funding unless referred to a formally recognised and funded academic development and support programme offered by the university (within the first two years of study);
  - d) Students who are enrolled in semesterised programmes need to have passed both semesters in any given course/module for the course/module to be counted as passed;
  - e) Should the student have cancelled courses/modules following registration, and is carrying less than 50% of the courses/modules required for that academic level of study, this student SHOULD not be funded (unless in final year, and these are within the N+2 – see below - and are the only remaining courses/modules to be completed for graduation); and
  - f) A student who is academically excluded from NSFAS funding may apply for further funding in subsequent years once their academic performance has improved sufficiently and if they remain on track to graduate within N+2.

### **The N+2 rule**

- 7.4. To be eligible for a NSFAS loan, a student must be on track to complete his/her full-time or part-time first undergraduate degree/diploma within the N timeframe plus two more years, where N is the minimum qualification completion time specified by the university, that is a course which can be completed in a minimum of 3 years but may be completed within 5 years. Students with disabilities may be funded for N+3 as per the Students with Disabilities policy.
- 7.5. No exceptions to this will be considered. It is possible that NSFAS may adopt a framework in which preference is given to students who are on track to graduate within N, then those on track to graduate within N+1, and finally those on track to graduate within N+2.
- 7.6. For a student to be on track to complete within N+2, a minimum courses-passed rate of 50% is not sufficient. If a student is undertaking a three year programme, passing only 50% of the courses in each year will require a minimum of six years to complete the degree.
- 7.7. Considering a progressive courses-passed rate that more heavily forgives first year failures, but demands more rigorous courses passed rate as the student moves from second year to third year, would ensure that students can meet this N+2 funding parameter, and be fully funded for the duration of the qualification, for example: “Senior students must pass 65% of

his/her registered subjects. First year students must be approved for a formal academic qualification and the highest APS scores will be considered.”

- 7.8. The N+2 rule is not based on the number of years that a student has been funded, but on the number of years that the student has been registered for tertiary study at any one/more public universities in South Africa. This means that if a student has transferred from any other public university, regardless of whether they were funded at that university, the number of years already registered for the qualification **MUST** be counted as part of the N.
- 7.9. This rule applies regardless of whether the student is undertaking the same academic programme enrolled for at the previous university, and should be read in conjunction with the paragraph below.
- 7.10. NSFAS will allow for one change in academic programme mid-stream, so long as this is within the first two years of study, and if the student will still be able to meet the N+2 criterion. The N+2 rule is inclusive of all programme changes, course cancellations, etc. If the student is changing from a three-year programme to a four-year programme, then the N = 4. If a student is changing from a four-year programme to a three-year programme, then the N=3.
- 7.11. Students registering for an “extended curriculum programme” (ECP) qualification, where this programme is coded separately on the university PQM will be given an additional year as the N for these programmes is adjusted by the DHET. For example, a National Diploma in Electrical Engineering has an “N” of 3, but a ND Electrical Engineering (ECP) has an “N” of 4. It is assumed that in these cases, the tuition cost may be lower than the tuition cost for the full diploma/degree programme.
- 7.12. Students registered for funded foundation/access courses which are linked to the qualification, and who are admitted to a formal degree/diploma programme may count the Foundation programme within the allowable N+2, although the parameter for continued support itself **does not change**.
- 7.13. Students not admitted to formal degree/diploma programmes however cannot be funded for the Foundation programme, as NSFAS funding cannot be used to pay for a Foundation programme where the student has not been granted academic admission to a degree/diploma programme already.
- 7.14. Students progressing fully to the next level (in other words, they passed all required core subjects) should be not biased against in favour of making awards to students who are returning to the same level of study, yet who may have a higher courses passed ratio or higher average course marks for the courses that were passed. NSFAS must be funding only students who demonstrate their academic potential and their ability to graduate in the shortest time possible.
- 7.15. Students undertaking part-time studies will need to be treated on a case-by-case basis if they are enrolled at a contact university. In the case of UNISA – distance education – the N has been amended per the following proviso, and based on the qualification tables submitted by the university: a student registered for a three-year qualification may take up to 8 years to complete and four years may take up to 10 years to complete.

- 7.16. Students who are taking a gap year **SHOULD** be treated as follows:
- Where this gap year is due to experiential/workplace training required for completion of the diploma/degree, this gap year is counted as part of the N+2 parameter (in other words, the N+2 rule remains in effect);
  - Where this gap year is due to family/personal commitments, and the student is not registered for that year, the N+2 rule will not count this gap year as a registered year and therefore when the student returns to study, the university will sum the years of study prior to the gap year, and count any remaining years to complete the degree to determine whether the student can be funded. However, it is recommended that NSFAS review closely any applications for financial assistance where the “gap” in registration is greater than two years.
- 7.17. Wherever possible, NSFAS should be supported by both the Financial Aid Office and the Registrars’ Office and/or relevant Faculty Offices in the determination of whether a student is on track to complete within N+2 (in other words, is the student taking the required course combination, with the required credits and academic progression to be awarded the full qualification within the N+2).
- 7.18. In the academic results file that is sent to NSFAS annually, institutions need to indicate if the student should be excluded from next cycle funding for any of the reasons listed by the institution. Failure to meet any of the requirements listed above would be sufficient to exclude the student – REASON: N+2 rule exceeded.

#### **Assessing financial eligibility for funding – means-test waived students**

- 7.19. Students will be means-test waived if they are first-time entering students from quintile 1, 2 and 3 schools or if they are recipients of child support grants or disability grants administered through SASSA. Students who are means-test waived will have an EFC of 0.

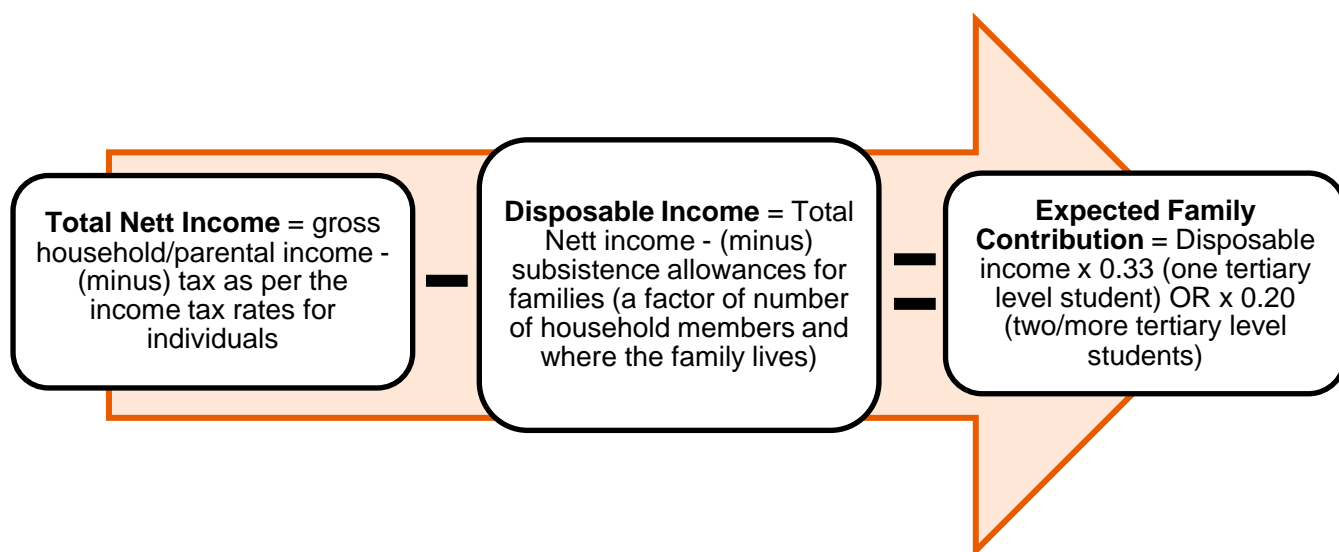
#### **Assessing financial eligibility for funding – the financial means test (FMT)**

- 7.20. The FMT aims to establish which the most financially needy students are as well as the amount that a family can be reasonably expected to be contributing to the cost of study. For all funds indicating as such, NSFAS will use the NSFAS FMT to determine which students are eligible<sup>9</sup> and how much the loan or bursary should be.
- 7.21. The following data informs the calculation of the means test and **MUST** be collected through the application process:
- a) Applicant’s own income (if any) – income defined as current year’s actual income (not prior year’s taxable income);
  - b) Parental income or spousal income (whichever is applicable);
  - c) The combined household income (e.g. guardians such as grandparents, where applicable, excludes siblings of the students);
  - d) Whether a student is dependent or independent (self-supporting) of his/her parents/guardian/caregiver – a student who is self-supporting is one who has been in full-time employment for three years or more prior to registration at the university, and is not being supported by the State through a child-care grant;

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<sup>9</sup> Eligibility is a factor of where on the ranking order a student’s EFC calculation places them, in relation to how far the funding allocated for that university reaches.

- e) The number of dependents in household – which includes adults who are living in the house dependent on the combined household income; tertiary level students (post-matric studies); scholars (and those of school going age but not in school); and pre-schoolers; and



- f) The number of dependent children in university or in a TVET college (for the purposes of this calculation = tertiary levels students).

7.22. In the assessment of the student's financial eligibility, the following terms need to be noted:

- Dependent:** Student whose parent (s) are alive or where he/she has a legal guardian, and where the student is living with and dependent on his/her parents for housing, meals, clothing, and other living costs;
- Independent:** Student is married and/or both parents are deceased and/or the student can prove that he/she has worked and supported him/herself for more than 3 years;
- Disposable income:** The money that a family has left over after tax has been paid on the household's earnings, and allowances have been set aside to provide for the family's general subsistence needs as well as the individual needs of each family member;
- Subsistence Allowance:** A calculation - that is updated by NSFAS annually - which provides an indicative value of the annual costs of living that a household may incur dependent on the size of the family and where the family home is; and
- Expected family contribution (EFC):** A figure which suggests how much of a family's resources should be considered "available" for higher education expenses. Factors such as taxable and non-taxable income and the value of family assets are considered (the latter is especially critical in the determination of business income).

7.23. Parents remain the primary source of income for a student intending to study at a public university or TVET college, where the student him/herself has not been working full-time. In this regard, parents **MUST** provide proof of income and any refusal to provide evidence in relation to this will be construed as an incomplete application and disregarded by NSFAS.

7.24. Only under extreme circumstances that may result in significant distress and possible trauma to the student (and only by exception) can this be over-ruled. However, supporting documentation from a social worker, from the SAPS (this should be a report by the SAPS

officers concerned, and not an affidavit by the student), or a similarly recognised professional who has the interests of the student at heart and an intimate knowledge of the specific family circumstances **MUST** be obtained in these cases.

- 7.25. Where the parents of the student have absconded, or are deceased, and the learner/student is living with another family who are not legally responsible for the student, and this family are not prepared to submit documentation as they are of the view that the student's university education is not their responsibility, a letter attesting to this is required from the family and/or supported by further documentation.
- 7.26. Where parents are under debt review, documentation related to the status of the debt management/review process would be required as evidence, e.g. Form 16 and Form 17.1, **AND** the parent must consent to the verification of this through a registered credit bureau. It is understood that while it is not the parent assuming the debt, the parent is applying for their financial position to be taken into account in terms of their ability to pay for the studies of their dependents. In this case, the means test needs to consider the nett available income as *the gross income minus any repayment arrangement* (excluding provision for income tax) as the nett available income.
- 7.27. However, parents with high income levels and reported high levels of debt who are not under a formal debt review/debt management process **MUST** declare their full income with no concession made for the debt under management. Students from these families may have greater access to other loan facilities than students with no income, and the NSFAS guiding principles of providing for students with no other avenues for accessing higher education should be highlighted to these parents.
- 7.28. Due attention should also be paid to applications for financial aid from students whose parents declare a nett loss in their business income but whose personal assets/nett worth (e.g. properties) are high. These applications should be carefully reviewed by NSFAS against the principle of ensuring that NSFAS funds the most financially needy students first.
- 7.29. NSFAS **will** apply the results of the FMT by ranking students from most negative EFC to most positive EFC. Students with negative EFCs should only have their EFC value NULLED when considering the recommended award calculation. For all other purposes, the actual EFC output **MUST** be used to rank students, particularly in universities/colleges where most applications have a negative EFC.
- 7.30. For most of the funding categories available to students at the universities, NSFAS does not use an income threshold to determine eligibility for financial aid. However, an income threshold has been adopted in the TVET colleges and in certain funding categories (as detailed later in the Handbook).
- 7.31. NSFAS will not be applying any measures that will top-slice the awards to students, so long as these are within the NSFAS capped award amount.



### **Students who fall into the “missing middle”**

- 7.32. To ensure that inflation-linked adjustments on the 2015 fee baseline are affordable to financially needy students, the Minister announced that those students who have a household income of up to R600 000 per annum will be supported with subsidy funding to cover the gap between the 2016 fee and the 2017 fee increase, for increments up to 8%.
- 7.33. This effectively means that all NSFAS-qualifying students and the “missing middle” will experience no fee increase for 2017.

### **Students with Historic Debt**

- 7.34. NSFAS loans and bursaries cannot be used to cover costs incurred in previous years. NSFAS will communicate any provision for this purpose to institutions as a separate allocation, if available.

### **Provisional funding and the allocation formula**

- 7.35. While the principle in the student-centred model is that funding will follow the student, the transition arrangement for the 2017 academic year will be based on the allocation model. Once approved by the Board, these allocations will be communicated in writing to each university and TVET college by the DHET.
- 7.36. Each university and College will, in effect, have funding ring-fenced for their institution, using the same principles and baseline as the allocation formula. Based on the NSFAS means test, NSFAS will then determine which students receive loans and bursaries.

### **Ring-fencing allocations**

- 7.37. Based on the university enrolment plan for first-time intake and senior students, NSFAS will determine the proportional allocation of their DHET allocation. A recommended guideline is to ring-fence 18-23% of the allocation to first-time entering students and the balance to senior students (which will include the final year students).
- 7.38. The current allocation split is as follows: 80% continuing (renewals), 20% for first time applicants and returning students, and will be subject to annual review.
- 7.39. NSFAS **will not** split the allocation across multiple campuses, but will consider all students within the university in any given academic year as one cohort.

### **At/before registration**

- 7.40. NSFAS will communicate, through the integration services under development, the provisionally funded list of students to universities once all academic results for first-time entering and senior students has been received. It is recommended that universities and colleges use this provisional list before registration starts (making lists of funded and unfunded students publicly available), so that registration at the university or college proceeds smoothly.

- 7.41. As communicated by the DHET and NSFAS, registration fees for these students must be waived subject to the understanding that students need to sign their loan or bursary forms before any allowances and/or tuition and/or accommodation costs are paid.
- 7.42. All universities and Colleges should work towards ensuring that residences are allocated before registration, so that the costs for residences can be loaded to the student fee account at the time of registration. In addition, any other costs that need to be accrued to the student fee account so ideally be added at registration.

## Determining the size of the loan or bursary

### After registration

- 7.43. Once the full cost of study has been determined, the process of signing student loan agreements and bursary schedules can begin. This will follow the submission of registration information to NSFAS (see the Institution User Guide for more information). The full cost of study in this case is the cost of study per student as per registration, inclusive of allowances payable.
- 7.44. The loan agreement form or the bursary schedule MUST have the amount of the loan/bursary completed on the document BEFORE the student signs. No student should sign a blank loan or bursary agreement.
- 7.45. The maximum award size for an annual award is determined and set by NSFAS, and will be communicated by NSFAS to the institutions. For the 2017 academic year, the cap for NSFAS/DHET-administered funds is R76 000, unless otherwise specified (e.g. DHET Disability). Maximum and minimum loans and bursaries to be authorised during the year are determined by NSFAS and/or the DHET (TVET colleges).
- 7.46. When the amount required by the students is equal to or greater than the maximum permissible loan/bursary for that year, the maximum award is made. The maximum loan/bursary amount is generally equal to the national average Full Cost of Study, as calculated by NSFAS. This figure reflects the average annual fee for residence accommodation including meals, plus the annual tuition fee averaged over all courses of study. Calculation:  $FCS = \text{Tuition} + \text{Compulsory levies} + \text{Residence fees} + \text{Meals (as applicable)} + \text{Allowances (including books and others, as applicable)}$ .
- 7.47. NSFAS will not honour an award to any student which is greater than the maximum permissible loan for that year, unless the university/TVET college submits a written request to NSFAS. Should a university/TVET college require approval for exceeding the maximum award size, this request must be sent to NSFAS (attention: Chief Operating Officer, copy to GM: Loans and Bursaries) on a letterhead specifying the details in respect to which funding categories, and for which students, and providing a motivation for this deviation from the policy. Email correspondence or verbal agreements do not suffice. These will be reviewed by the Credit Committee, and any decision made in this respect is binding.
- 7.48. The maximum amount per student must include all essential expenses, as defined at the discretion of universities, and are based on loan amounts calculated per the NSFAS Financial

Means Test. **NSFAS will award loans in accordance with the maximum loan values determined by NSFAS.**

- 7.49. If there are insufficient funds to assist all applicants at an institution, NSFAS will use the ranking to fund those applicants whose **potential to succeed and financial need is greatest.**
- 7.50. For continuing students, whose EFC was assessed at the time of application, the academic results will be used to rank eligible students. This EFC will carry through for all successive years of study.
- 7.51. For purposes of example, see below:
- EFC = R10 000, cap R76 000, registration costs R90 000, then NSFAS will pay R76 000;
  - EFC = R5 000, cap R76 000, registration R73 000, then NSFAS will pay R68 000;
  - EFC = R5 000, cap R76 000, registration R50 000, then NSFAS will pay R45 000;
  - EFC = R20 000, cap R76 000, registration R15, 500, then NSFAS will pay R0;
  - EFC = R0, cap R76 000, registration R90 000, then NSFAS will pay R76 000; and
  - EFC = R0, cap R76 000, registration R50 000, then NSFAS will pay R50 000.

#### **What costs can be included as part of the full cost of study calculation?**

- 7.52. The following should be legitimate costs of study with respect to the NSFAS Award formula. However, it should be noted that the costs to be used are the actual costs to be charged to the student fee account and not estimates of the costs:
- a) Registration fees as set by the institution – where a student has been provisionally funded, these fees must be waived as most registration fees are a part payment of the tuition fee. Where the registration fee is a separate payment, this can be included as part of the full cost of study calculation;
  - b) Tuition fees as set by the institution.
  - c) **Note:** Repeating modules for failed subjects can only be included as part of the calculation for tuition if the student is on track to complete within N+2 and this is within the capped award limit.
  - d) Academic levies as set by the institution – these may include levies for internet access, lab access etc.;
  - e) Only the essential books/electronic learning materials as prescribed for the course by the institution. It is highly recommended that wherever possible, these costs are kept within reason, and books should be recommended where learning materials are not available online, through e—learning or library resources.
- 7.53. In respect to accommodation and food, the following provision/recommendations apply:
- a) For students in on-campus catered residences/hostels: residence fees as set by the university as per the student fee account, which includes the cost of meals;
  - b) For students in self-catering on-campus accommodation: the accommodation fees as set by the university as per student fee account and a set food allowance as determined by the university and NSFAS;
  - c) The recommended food allowance for this is R 6 627 for the 2017 academic year.
  - d) For students who are staying at home, an allowance for meals and/or transport to/from campus and/or personal expenses is provided. The recommended allowance for this is R 8 377 for the 2017 academic year – this includes provision for transport to/from campus;
  - e) For students from out of town staying in off-campus private accommodation, a set accommodation and food allowance as determined by the institution and NSFAS. The recommended allowance for this is R14 255 for the 2017 academic year;

- f) Given the decision on fee increases for the 2017 academic year, these allowances have not been increased from the 2016 academic year;
- g) Where the institution has determined allowance values that differ from the recommended values as set by NSFAS, the university needs to advise NSFAS in writing of their recommended values for 2017.

### Parameters for private accommodation allowances

- 7.54. The funding for private accommodation through allowances needs further consideration, both in terms of which students should be qualifying and in terms of the parameters for this funding.
- 7.55. Minimally, students are required to provide proof of a suitable lease agreement **the cost of which is not greater than the cost of on-campus accommodation**. Students must make their own arrangements for deposits where these are applicable as the NSFAS funding is not guaranteed until the loan or bursary agreement is signed. **All payment arrangements remain the responsibility of the student.**
- 7.56. NSFAS can be held responsible for rental costs not paid by the student to the private accommodation provider, or any additional costs, damage to personal property and personal harm that may arise from students' taking up outside accommodation.
- 7.57. Students may only be eligible for off-campus private accommodation allowances once official notification from the university Student Housing division confirms that there is no on-campus accommodation available. Local students (within a 0-50 km radius of the applicable campus) may not automatically qualify for off-campus private accommodation.
- 7.58. Should students receive an allowance for private accommodation, NSFAS and the university have the right to reserve the continuation of this allowance based on the academic performance of the student and his/her conduct at the private accommodation provider.

### Learning materials allowances

- 7.59. NSFAS has received several requests from universities in respect to the use of the book allowance to purchase electronic devices.
- 7.60. Students at universities are increasingly being expected to use computers not only to read materials but also to create content and submit work for assessment via the Internet. In the distance education environment, UNISA requires students to communicate online for both administrative and academic purposes.
- 7.61. It is in this light that NSFAS has considered these requests to allow students to purchase electronic devices at universities that require them as a learning tool.
- a) With effect from the 2015 academic year, the book allowance will be replaced with a learning materials allowance. This allowance will enable students to purchase books/e-books, electronic devices;
  - b) There will be no additional allocation for this allowance – universities and students must fund this allowance within the NSFAS maximum cap in replacement of the book allowance;
  - c) However, universities MUST request permission in writing from NSFAS to allow students to use this allowance to purchase electronic devices for study purposes;
  - d) An electronic device may only be purchased once in the students' duration of study (N+2);

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- e) Electronic devices SHOULD not substitute the purchase of books where these are recommended by the Faculty concerned, and should only be purchased where there is a bona fide academic requirement for the use of such a device;
- f) Students may only use this allowance to purchase devices approved by the University, and should purchase these devices through university-approved suppliers and at costs negotiated by the supplier;
- g) NSFAS is not responsible for the replacement of these devices, whether lost, stolen or damaged;
- h) For monitoring and reporting purposes, claims submitted to NSFAS must reflect the amount claimed for each student for the purchase of electronic learning materials/devices;
- i) A NSFAS maximum cap allowance of R6 000 is recommended for the 2017 academic year;
- j) For students with disabilities, provision of electronic devices is dealt with under this funding category.

### General considerations - Allowances

7.62. The progressive introduction of standardised allowances across all universities will be explored by NSFAS for introduction in the 2018 academic year. This is necessary for NSFAS to engage with the funders concerned to determine acceptable allowance ranges. It is recognised that students do not differentiate between funders, and where differences in allowances between funders exist, this causes tensions amongst students.

7.63. The needs of students with disabilities are provided for separately under the Students with Disability Policy and funding guides.

### Exclusions from the registration full cost of study

7.64. The following costs **CANNOT** be included in the calculation of the students' full cost of study, nor in the calculation of the final award amount allocated:

- a) Student insurances
- b) SRC levies
- c) Levies for any voluntary associations – sporting codes, youth memberships, etc.

### Credit Balances

7.65. Credit balances (funds remaining in the student fee account after legitimate costs for tuition and residence have been deducted) WILL NOT be refunded to students, but will be returned to NSFAS as a first payment on the loan or as un-utilised funds (bursaries).

### Re-distribution

7.66. Re-distribution of funds will take place from one student - who does not complete their course of study due to drop-out/death or who does not sign their LAFSOP within the designated timeframes – to another student who may be on the unfunded list.

### Updating qualification information

7.67. Universities need to annually provide NSFAS with an updated list of all qualifications (undergraduate and/or postgraduate) that will be offered by the institution in the following year.

7.68. This list needs to indicate the process cycle (annual, semester or trimester), the credit value carried by the qualification, the qualification type, the regulation time for the qualification and if the qualification will be discontinued.

7.69. A template for this will be provided by NSFAS in the first quarter of the financial year so that this can be amended on the online application.

## Appeals processes at universities and TVET colleges

- 7.70. The appeal application rejection process is the process in which a student will contact NSFAS – through the FAO office at the institution - and lodge an appeal due to their application for financial aid not having been successful. The following reasons are grounds for denial of funding or being placed on the unfunded list:
- Applications submitted past the NSFAS stipulated deadline;
  - Applicants who did not submit supporting documents for their application by the NSFAS deadline;
  - Applicants who were provisionally funded but did not register for their funded qualification by the deadline;
  - Students who did not submit a signed SOP or LAF by the stipulated deadline date;
  - Applicants for whom there was insufficient funding or for whom there was insufficient funding to fund their entire qualification (based on funder and funder product selected); and
  - Applicants who do not meet the financial need or academic criteria for first-time funding or the academic progression criteria for the continuation of their funding.
- 7.71. The student will have the right to appeal under the following conditions only:
- An unforeseen change in the family financial circumstances after the closing date for applications, which lead to the late submission of an application or to a substantive reduction in the family household income;
  - Academic ineligibility where the past performance of the student has been good, where there are medical grounds for poor performance or in the event of a life-changing event having impacted on the students' emotional well-being; and/or
  - Where the students' current sponsor has withdrawn their funding.
- 7.72. Not all students have the right to appeal. Appeals can only be considered subject to the availability of funds and the on-time and complete submission of an application for financial aid.
- 7.73. Examples of students who could appeal include the following:
- If the student can prove that (s)he has lost the primary income earner in the family or the primary income earner has lost the source of income (e.g. retrenchment)
  - If the student can prove that he has lost his current sponsor because of poor academic results and/or a violation of bursary contract after the application closing date, only if the student has passed at least 50% of registered courses in the prior academic year.
  - If the student genuinely thought that he/she would graduate AND
    - there is academic evidence provided by the Faculty office to support this; and
    - the student can complete the degree within N+2 yrs.
- 7.74. The following guidelines should be considered to determine the validity of an appeal:
- Unforeseen Change in Family Financial Circumstances  
Changes in family financial circumstances must be supported by valid proof which demonstrates that an application was not submitted by the closing date due to circumstances that could not be foreseen, these could include;
    - Death of parent/guardian

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- Retrenchment or dismissal of a parent/guardian
  - Debilitating illness of a parent/guardian
- Late applications should otherwise not be accepted, unless under circumstances outlined above.

### b) Academic Ineligibility

It is important to consider the N+2 rule when considering these appeals as continued poor performance cannot be permitted, as the student will not complete studies within N+2.

Appeals against academic ineligibility can only be considered for those that have not passed 50% of the courses registered for if:

- the courses passed ratio was between 40 to 49%; and
  - That student passed his/her major courses and the weighting of such courses exceeds 50%; or
  - That student was otherwise academically sound in previous years, having passed well over the 50% required.
- Medical Grounds for poor performance
  - Proof in the form of a **medical report** must be provided of any medical conditions that have impacted upon the students' academic performance.
  - Must be substantive and of significant duration
  - A doctors certificate/medical report for a few days of flu **will not** suffice
- Life changing event
  - Student to provide proof of the life changing event that had a significant impact on the student's emotional well-being, e.g. the death of a parent

### c) Change to Programme of Study

Appeals received to change programme of study needs careful consideration in respect to the application of the N+2 rule. A student appeal needs to outline the reason the change is being requested.

Therefore, consideration will be given to:

- Is the intended change in the same Faculty and will N+2 remain unchanged? For example, some students may just change their Major, or from BBusSc to BCom (degree change within Faculty)
- Student to provide letter from Faculty outlining the impact of the change in programme. This letter needs to indicate
  - Whether student will carry credits to the new course
  - Academic level student will enter on new programme
  - Expected graduation year for new programme

This information will enable the FAO to determine whether student can complete in N+2 of the original funded programme.

Specific funder rules (for example, SETA funding, DSD, Funza Lushaka) will also need to be taken account of, especially if the change in programme will affect the funding options available. If it does affect the funding options, consideration will need to be given to how the new programme will be funded.

7.75. The student will lodge an appeal with the FAO at the university directly using the appeals form recommended. Students could lodge appeals during the appeals period be from 6 – 17 February

2017 at their respective university financial aid office. The FAO must follow their own internal process (appeals form and supporting documentation), in line with the parameters and protocols to follow, to review this appeal on behalf of NSFAS. The university need to ensure that all supporting documentation has been provided, and makes an appeal recommendation.

- 7.76. The university Committee will then send through recommendations to NSFAS via the web-portal for forwarding onto the NSFAS Credit Committee for review and approval. The University/College appeals committee should submit the recommendations to NSFAS on/before 28 February 2017.
- 7.77. The NSFAS Appeals Review team will consider if there is available funding to satisfy the volume of appeals received, and will consider all appeals on merit. Ultimately, the decision on an appeal recommendation will be taken by the NSFAS Credit Committee, which will sit on the 6 March 2017 to process and consider all appeals. The NSFAS Credit Committee will determine the appeals type priority protocol depending on the available funding, and if the appeal meets the priority protocol, the merit of the appeal will be considered, and funding will be allocated to the student. All successful and unsuccessful students will be informed by NSFAS.
- 7.78. NSFAS will set aside 1% of the total allocation for appeals.
- 7.79. If the appeal is successful and IF funding is available for the qualification the student selected, then a decision to fund the student will be made by manually allocating funding to the student. If the appeal is deemed not to have merit, then it will be rejected. This will communicated to the student telephonically, via e-mail or SMS.
- 7.80. All students **MUST** be advised of the outcome of their application. NSFAS will adopt different strategies for doing this, but minimally all students need to be advised through a formal mechanism.
- In the application process, NSFAS will **ensure that it is clearly communicated that the submission of an application DOES NOT guarantee funding**
  - Lists/reports can be published on the university/TVET college website (giving clear reasons for why the application was not successful)
  - Three key reasons for not being successful can be provided – **academic reasons** (not meeting the minimum requirements or results not being strong enough to received continued funding), **financial need** (expected family contribution – EFC –too high relative to the other students) or **insufficient funds available**
  - Using SMS to advise students of the outcome of their application (be sure to include the student number on the SMS so that the student receiving the SMS knows that it has been sent to the right person)
  - Letters/SMS/emails/lists to students can be written that indicate the reason for refusal and the student's right to appeal when applicable.
  - This is in line with the requirements of the Provision of Administrative Justice Act.
  - An unsuccessful student will not be precluded from re-applying in the future.
- 7.81. The appeals process cannot be used by students or other Administrative divisions within the university as a second opportunity to apply or as a mechanism for by-passing the application process. Students who duly and rightfully qualified for financial aid but who were not funded due to insufficient funding must not be disregarded in the process of awarding appeals decisions.



- 7.82. NSFAS will be working through the university and TVET colleges in the administration of the appeals process. As such, all FAOs must have in place an appeals policy and process so that students who meet the criteria and parameters indicated below can request a review of their application.
- 7.83. An appeals process should only be considered subject to the availability of funding, as no awards can be made following an appeal where no funding is available. Students should be advised of this.
- 7.84. Due to limited funding being available, careful consideration must be given to what would constitute a valid appeal.
- 7.85. The principles of fairness, consistency, objectivity and transparency **MUST** underpin all university, TVET college and NSFAS' processes and decisions. The appeals process has been put in place to give assurance that:
- Errors with regards to the non-allocation of funds are minimised;
  - Unfairness towards applicants is mitigated;
  - Assessments were completed accurately; and
  - That transparency is exercised with regards to NSFAS policies and procedures
- 7.86. NSFAS expects all FAOs to comply with the following:
- To keep an **appeals register** which records all appeals made with the outcomes;
  - All appeals need to be in writing, and needs to include supporting documentation which provides the grounds for the decision taken to deny or approve an appeal (\*see Exemplar);
  - It is recommended that an Appeals Application Form is used to assist in ensuring that students understand the types of appeals that will be considered, the supporting documents required, appeals guidelines. This is important so that students understand the process and the rules that will be applied.
  - To have an **appeals committee** that can mediate on decisions that need to be made (this appeals committee should report into the Financial Aid Committee, and should include a representative from the Financial Aid Office, from Student Affairs, from the Registrars' office and/or a student representative);
  - To **minute all meetings** regarding students who have been selected and those who have not; these minutes must be properly recorded and signed off; the outcome of the review must be retained for audit purposes;
  - To **process in writing** all appeals made to the financial aid office by the dates determined by NSFAS annually;
  - To **forward all final recommendations** on the appeals submitted to NSFAS so that funding can be made available to the student;
  - To **make the appeals register** available to NSFAS for audit purposes, upon request;
  - To alert NSFAS with regards to **any possible disruptions** likely to be held on campus with regards to appeals, so that NSFAS can respond to media queries that may arise.

## Signing of the Loan or Bursary Agreements

- 7.87. Written agreements must be entered into between NSFAS and every student for all loans and bursaries offered. The final funding process which results in the payment to the university or college consists of four steps:
- a) The registration of the student at the approved university or college and for the approved qualification;
  - b) The generation of the LAFSOP for the student;
  - c) The acceptance of the LAFSOP by the student and submission to NSFAS; and
  - d) Disbursement of funds to the university or college.
- 7.88. Each loan category or bursary category has a separate loan or bursary agreement form which is completed by the student - as soon after registration has closed as is possible.
- 7.89. Students will sign a single LAF/SOP for the balance of their QUALIFICATION. A loan or a bursary must be granted in respect of a particular course of study, and this must be listed on the loan or bursary agreement – as such, the loan or bursary may not be used for any other purposes. It will specify cap amount and period. The annual costs as for tuition, residence, transport, meals will then be loaded against the value of the LAFSOP.
- 7.90. No payments against a loan or bursary awarded will be made (i.e. no disbursements) until NSFAS has received confirmation that the agreement has been signed and accepted by the applicant.
- 7.91. The uploading of the registration file will be dealt with in the Institution User Guide, and this is the step that kickstarts the disbursement process. Any mismatch (particularly ID and qualification/qualification code) between the funded student lists sent to the university or college and the registration list that the university or college sends back to NSFAS may result in that student losing his/her provisional funding commitment.
- 7.92. Once the lists have matched, the LAF or SOP is generated and distributed directly to the student via email or by SMS notification for the online acceptance. The student can accept the LAF or SOP in one of four ways:
- a) through online acceptance using a one-time pin (disbursement to the university happens within days of online acceptance);
  - b) through printing the LAF/SOP, signing it and then submitting it either
    - i. via the FAO - .pdf to be sent to LAFonroute@nsfas.org.za or SOPonroute@nsfas.org.za and the original posted to NSFAS, Private Bag X4, Plumstead, Western Cape, 7801 (once email opened by NSFAS, the disbursement schedule will be created);
    - ii. via email – the student scans in signed LAF/SOP and emails .pdf to signedLAF@nsfas.org.za or signedSOP@nsfas.org.za (the disbursement schedule will be created when opened by NSFAS); and
    - iii. via courier (at student's cost) or post (the disbursement schedule will only be created once the LAF/SOP reaches NSFAS and is reviewed electronically).
- 7.93. Payment will then be made to the university/college for costs and the allowances will be triggered on sBux.

- 7.94. sBux is the mobile payments solution implemented by NSFAS to distribute funds to students. Students who qualify for NSFAS loans or bursaries will receive allowances in the form of cell phone vouchers for food, travel, books and accommodation. Students will be able to spend these vouchers at NSFAS-registered merchants. Amounts are determined through consultation with institutions, allowances set out in the registration template provided by institutions to NSFAS.
- 7.95. No allowances can be paid to the student until the loan or bursary forms have been signed by the student. To receive vouchers and transact on the sBux system the student must have signed the LAF/SOP. If the student is a returning student, sBux will be triggered once registration details have been submitted by the institution. Students are required to dial \*120\*176# and enter the ID number to authenticate the account.
- 7.96. The sBux password will be received in an SMS which will provide the student with access to the account. Once the password has been received, the sBux account may be accessed by dialling \*120\*176# to check balances and vouchers. Vouchers can be spent at sBux registered outlets. A detailed list of sBux merchants can be found on <http://www.nsfas.org.za/NSFAS/STUDENTS/SBUX>

## BTech qualifications that are eligible for funding

- 7.97. These are programmes that meet the stipulated criteria of professional registration:

NAME OF BTECH QUALIFICATION
B TECH: ARCHITECTURAL TECHNOLOGY
B TECH: ARCHITECTURE (PROFESSIONAL)
B TECH: BIODYNAMICS
B TECH: BIOMEDICAL TECHNOLOGY
B TECH: BIOTECHNOLOGY
B TECH: CARTOGRAPHY
B TECH: CHIROPRACTIC
B TECH: CLINICAL TECHNOLOGY
B TECH: DENTAL TECHNOLOGY
B TECH: EMERGENCY MEDICAL CARE
B TECH: ENGINEERING: CHEMICAL
B TECH: ENGINEERING: CIVIL
B TECH: ENGINEERING: ELECTRICAL
B TECH: ENGINEERING: INDUSTRIAL
B TECH: ENGINEERING: MECHANICAL
B TECH: ENGINEERING: MECHANICAL: MECHATRONICS
B TECH: ENGINEERING: METALLURGY
B TECH: ENGINEERING: REFRACTORIES
B TECH: FORESTRY

NAME OF BTECH QUALIFICATION
B TECH: HOMOEOPATHY
B TECH: NURSING
B TECH: NURSING SCIENCE
B TECH: NURSING: COMMUNITY NURSING
B TECH: NURSING: PRIMARY HEALTH CARE
B TECH: NURSING: OCCUPATIONAL NURSING

## Continuing Students

- 7.98. For continuing (renewals) NSFAS students, the renewal of financial aid will be undertaken in accordance with the following to approve or decline the loans and bursaries for subsequent years of study:
- Academic eligibility criteria
  - Available Funding
- 7.99. Whereas, in the previous system, all continuing students (renewals) had to re-apply and were re-assessed based on financial eligibility, academic eligibility and available funding, the new model only uses the latter two as the basis for decisions on which students are funded.
- 7.100. Once all 2016 claims have been captured by NSFAS, a full dataset of all currently funded NSFAS students will be created by NSFAS and sent to institutions to complete their academic results. This template is detailed in the Institution User Guide and will be part of the integration service offered by NSFAS to the institutions.
- 7.101. Information to be sent to NSFAS must be quality assured by the university/College. Once the dataset has been submitted to NSFAS electronically, NSFAS will match the validated data against the funding available and confirm the funded and unfunded students.
- 7.102. Students will be informed by SMS, and through the MyNSFAS account portal.
- 7.103. Universities and TVET colleges will be able to access this information through the MyNSFAS Manager portal.

### The filtering, selection and ranking of continuing students

- 7.104. The NSFAS system will then apply a series of filters before performing the academic ranking:
- Students who have achieved less than a 50% average courses passed;
  - Students who exceed N+2;
  - Students who have reached the financial cap for the qualification;
- 7.105. Ranking will then be done based on the academic performance of the student.
- 7.106. Students will be funded up to the cap amount for that qualification after the EFC has been deducted. This capped amount is determined by NSFAS, and is based on data from institutions. For the transition period, the cap amount is the NSFAS annual cap amount as

determined by the Board. When all universities have been brought into the system, there will be a more rigorous process to determine the cap per qualification.

7.107. It is important to note that the actual rand value the student will ultimately qualify for will be determined as registration details are sent through.

### **Pre-funded students**

(e.g. Funza, DSD, SETAs, DHET Discretionary, etc.)

7.108. Based on information already stored in the NSFAS system, NSFAS will extract a list of students pre-funded by any one of the funders (examples above). This list will be sent to the funders for confirmation that the students will be funded again in the new registration period.

7.109. Once the funders have confirmed that the students will be funded again, the list of students will be incorporated into the continuing NSFAS Students Renewal file which will be sent to all universities / TVET colleges.

### **Upfront payments**

7.110. Any university may request an upfront payment of up to 10% of the allocation confirmed for that university for the following funding categories:

- a) DHET General
- b) DHET Teacher
- c) TVET Colleges
- d) DHET Disability
- e) NSF Scarce Skills

7.111. TVET colleges will also receive upfront payments against their allocation.

7.112. The 2017 academic year will be the last year in which advance payments are made to universities and TVET colleges. This has been agreed to as part of the transition plan for the student-centred model.

### **Final reporting requirements**

7.113. All funds transferred by NSFAS to a university or college must be properly accounted for, and adjustments made to the value of the loan or bursary amount must be reported through the final reporting at the end of each financial year, being 31 March. Universities and colleges are required to report on the student fee credit balances and student results before the 31 March of each year.

7.114. Credits from the institution reduce the principal amount of the loan issued for that academic year. If the credit for that year exceeds the specific loan principal of that year, the excess is applied to a prior period principal balance. No interest will be charged on the university's credit portion.

- 7.115. A bursary conversion credit reduces the principal amount of the loan. This is applied subsequent to the credit balance (as above). No interest is charged on the bursary conversion credit.
- 7.116. Credits from bursary funding reduces the principal amount of any prior loan balance, and should be applied first to any co-existing loan for that year, but if no other loan then it will be applied to any prior period balance. Where no prior period balance exists, the bursary credit is returned to the funder and the value of the bursary cancelled.

## Roles and responsibilities of FAOs

- 7.117. With the introduction of this new system, there have been many questions asked about the role of the Financial Aid Offices at the universities and Colleges.
- 7.118. Some of these roles and responsibilities are outlined below:

Role	Responsibility
Who	What they do in the process
<b>University / TVET</b>	<ul style="list-style-type: none"> <li>• Assist first-time entering and returning students with the online application</li> <li>• Quality assure and review the data exchanged between NSFAS and the institutions for the academic results and registration files</li> <li>• Download reports and student status reports from the MyNSFAS Manager portal</li> <li>• Engage with the Disability Unit to ensure that these students are supported in line with the provisions of the policy</li> <li>• Engage with the Student Affairs Directorate to ensure that all students understand the policies NSFAS has put in place, and mitigate any likely student unrest</li> <li>• Engage with the Registrar’s Office and Faculty to provide information on the financial aid application process to prospective students and to returning students not previously funded by NSFAS</li> <li>• Ensure that all registration costs are loaded to the student fee account before sending the registration template to NSFAS – review this registration template to make sure all costs accounted for and all data fields completed as required</li> <li>• Update annually the Qualification names by faculty, qualification codes and costs (to verify data supplied)</li> <li>• Facilitate the review of appeals submitted on behalf of NSFAS, and make recommendations to NSFAS on which appeals have merit</li> <li>• Assisting students with the submission of printed SOPs and LAFs to NSFAS (both email and post)</li> <li>• Credit disbursement schedules to student fee account and facilitate payments between NSFAS, the students and/or merchants where required</li> <li>• Assist with the sourcing and registration/accreditation of private accommodation suppliers where agreed upon with NSFAS</li> <li>• Update the final report template and/or the graduation drop-out statistics report as and when required</li> </ul>

## Exemplar Appeals Application Form

### Personal Details

Student No.: \_\_\_\_\_ ID No: \_\_\_\_\_

Surname and Initials: \_\_\_\_\_

University & Campus: \_\_\_\_\_

Cell No: \_\_\_\_\_ Email: \_\_\_\_\_

### Appeal Category: (mark appropriate block and attach supporting documents):

- A. Family or personal distress affecting studies
- B. Extended hospitalization or serious medical condition
- C. N+2 exceeded
- D. EFC (Family financial position has changed since the application)
- E. Late application due to unforeseen change to family's financial circumstances
- F. Change to programme of study


Students/applicants are required to submit the necessary supporting documentation to support their appeal. Unsupported submissions will not be considered. The onus is on the student/applicant so submit a properly substantiated appeal; the Financial Aid Office is unable to follow-up on documents not submitted.

Due to the demand for funding and the limited resources, all Appeals must have sufficient and substantiated grounds, to ensure that all requested are dealt with fairly and equitably.

### Types of supporting documents;

- Proof of change in family's financial situation, eg death/retrenchment/dismissal of breadwinner
- Medical or Psychological reports that outline the extend of the family or personal distress that impacted student adversely
- Faculty report for change to programme

### The following will not be considered as valid grounds for appeals:

- Insufficient funding
- Students not submitting applications before the closing date.
- Students submitting incomplete application forms.
- Students not meeting the academic requirements without a valid reason with documentary motivation.
- Students who intends to enrol for a programme that is not funded
- No appeals will be considered after the closing date.

I declare all information to be true and that supporting documentation has been provided. I understand that there is no guarantee on the outcome of this Appeal.

#### SIGNATURE:

\_\_\_\_\_

STUDENT

\_\_\_\_\_

DATE

#### FOR OFFICE USE:

NSFAS FUNDED?

DOCUMENTS ATTACHED?

YEARS OF STUDY

\_\_\_\_\_

FINANCIAL AID ADVISOR (NAME)

\_\_\_\_\_

DATE

### Retain tear off slip for future reference

#### NSFAS 2017:

STUDENT NO

DOCUMENTS ATTACHED?

 Y

 N

If you have not received feedback **by 28 February 2017**, please consult with your local Financial Aid Office

FINANCIAL AID

DATE & STAMP

## NOTES

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# FUNDING RULES – 2017

## NSFAS RULES AND REGULATIONS **NSFAS HANDBOOK**

## 8 Introduction to the NSFAS Funding Programmes

8.1. NSFAS is primarily responsible for administering funding on behalf of the Department of Higher Education and Training (DHET), through a range of loan funds and bursary/grant funds.

### Loans vs Bursaries

8.2. While the process of applying for financial assistance is the same for bursaries and loans, these are very different funding products, and the rules and parameters for the different funds and funders needs to be understood clearly by students.

8.3. NSFAS offers two distinct products, namely a loan and a bursary. Loans may be converted to bursaries as an incentive for academic performance and in some cases (e.g Fundza), a bursary can be converted to a loan. This is dependent on the rules for each of the products, and the students' academic performance. Debtors may have more than one loan or bursary and could study at more than one institution over the duration of their study provided that this was for the purpose of completing their first undergraduate qualification, and is within the threshold limits set by NSFAS or the funder. Students may not have more than one loan or bursary for more than one university/TVET college in any one given year.

8.4. NSFAS and the institutions **must** explain these differences to students, if both options are presented to the student:

- a) Bursary: This is defined as a grant awarded to student in need, and as such is not subject to the requirements of the National Credit Act, as the money does not need to be repaid, but it may have contractual work-back obligations;
- b) Loan: This is the act of lending money to a borrower that will need to be repaid through instalments over a period, until the full debt (including interest charged) has been settled. It has no work back requirement. Loans are subject to the NCA. Debtors will receive account statements that will indicate the current debt due and the instalments paid. In the future, this will also be made available through the MyNSFAS portal and on a mobile app which is being developed.

### The DHET University Loan Funding programmes

8.5. From the 2017 academic year, the NSFAS will administer only one DHET loan funding programme for students studying undergraduate degrees and diplomas in the public universities and universities of technology.

8.6. The general parameters for this funds is provided below:

<b>DHET General</b>	
<b>Who qualifies?</b>	Undergraduate students only (includes PGCE, LLB, MbCHB and BTech programmes as listed) All fields of study. This includes provision for the 100% bursary conversion for final year students - who are on track to graduate at the end of the academic year.
<b>Must the means</b>	Yes – at first entry only. Means test waive conditions may be applied.

<b>DHET General</b>	
<b>test be applied?</b>	All first-time entering students will either be means-test waived or means tested.
<b>What are the criteria for continuing funding?</b>	The student must obtain an average course pass rate of 50%. Student must be on track to complete within N+2 years. <sup>10</sup>
<b>Can the loan be converted to a bursary?</b>	Yes. Up to 40% of the loan can be converted to a bursary, depending on the academic results of the student for the years leading up to Final Year. The conversion ratio is pro-rated to account for any failed subjects, and is done after any principal adjustments for credit balances or refunds. In the Final Year, up to 100% will be converted if the student graduates at the end of that academic year. If not, up to 40% of the loan value conversion will take effect. This can only be applied to one year of study. When the student fails one or more subjects in their final year, the standard conversion will apply and the year will not be treated as the final year. Should the student then pass all of his subjects in the next year, and is still being funded by NSFAS, then the 100% conversion will apply to the year when the qualification is completed. The conversion is done after any principal adjustments for credit balances or refunds.
<b>How is the allocation determined?</b>	The 2016 apportionment factor will serve as a baseline for the 2017 allocation.
<b>What forms are completed?</b>	A pre-agreement statement and quotation (PASQ) must be completed in the first year of funding only. Only if amount initially quoted and signed for has been exceeded, and the student is within the funding cap, then the student may need to sign a second LAF.
<b>What are the parameters for funding?</b>	NSFAS maximum award size applies. R76 000 for 2017 academic year. Allowances within the approved limit. Interest will be charged 12 months post exit.

## Other University Loan Funding Programmes

### Special Consideration – DHET – NGO Loan Funding

- 8.7 NSFAS has a small number of partnership agreements in place with NGOs that work to increase access to post-secondary opportunities for rural students or learners from poor communities. These partner organisations are provided with ring-fenced funding from the NSFAS recovery pool.
- 8.8 These partners make the decisions on those students they are providing financial aid to, compliant with the NSFAS rules and on the strength of funds made available in a given year.
- 8.9 NGOs **must comply with all conditions as per their agreement with NSFAS**. This will include:
- Agreeing to **distribute information** about available funding to the marginalised;
  - Assisting NSFAS in **inviting potential applicants** to apply for financial assistance;
  - Sending an **approved students' list** to relevant FAOs;

<sup>10</sup> N = minimum time to complete full qualification as recognised by the South African Qualifications Authority (SAQA)

d) Preparing **interim reports**.

8.10 Their role is to provide **added support** to the students that are funded.

8.11 The current NGO partners being supported by NSFAS include the following:

- a) StudieTrust
- b) Rural Education Access Programme (through NSF Scarce Skills bursary funds)
- c) Umthombo Youth Development
- d) Ziphakhamise

8.12 Not all universities will benefit from these NGO-funding partnerships.

### **Special Consideration – DHET SAICA/THUTHUKA**

8.13 NSFAS has been in partnership with SAICA since 2005. This is a special allocation to universities, and awards are made based on a list of students selected by SAICA/Thuthuka (see below for a summary of the process of applying for and awarding the bursary as followed by SAICA).

8.14 It is a top-up loan to a bursary awarded by SAICA/Thuthuka, and as such, there is a work-back provision attached to the loan.

8.15 The following are the requirements for application for a Thuthuka bursary.

- a) The learner must be African or Coloured
- b) The learner must be a South African Citizen
- c) The learner must obtain at least 60% on Mathematics (5 or above on the NSC Scale of Achievement) - NOT MATHS LITERACY
- d) The learner must be in Grd12 intending on studying B Comm. Accounting
- e) The learner must be financially needy and will be assessed using the NSFAS MEANS TEST to confirm financial need

8.16 This funding is only made available to students studying at the following universities:

- a) University of Johannesburg
- b) University of Cape Town (Bachelor of Commerce code CB011)
- c) Nelson Mandela Metropolitan University
- d) Stellenbosch University
- e) University of Pretoria
- f) University of the Free State
- g) University of Witwatersrand (WITS)

8.17 Once the learner has met all the above requirements and gone through the relevant test and interview only then will the bursary be provisionally awarded to the learner pending the final Grade 12 results.

### **Special Consideration – EC Province and KZN Premier’s Office Loan Funding**

8.18 Both these two provinces have introduced bursary and loan programmes for deserving students. A limited number of these students are offered bursaries (see next module), the remainder are offered loans. Each of these categories has their own LAF.

8.19 The Eastern Cape Provincial Government loan programme is an annually renewed allocation from the Eastern Cape Premiers Office, and is limited to selected universities. Students from the Eastern Cape can apply for financial aid at any one of these universities. If they meet the NSFAS minimum requirements for financial assistance, and the criteria below, these students may be funded out of the allocation that has been provided to that university. These loans are

subject to the same parameters as all other NSFAS funding – including N+2, the capping of the loan amount, etc.

- 8.20 The EC Province specifies that students who are funded must be from the Eastern Cape Province, and studying in the following scarce skills fields:
- B Comm Accounting, Financial Courses, Auditing, Cost and Management Accounting
  - Engineering (electrical, civil, mechanical, chemical. Quantity surveying)
  - Information technology
  - Tourism, marine biology, environmental sciences, agricultural courses (listed)
  - Archaeology, logistics management, procurement management
- 8.21 The KZN Premier's Office loan is subject to the 40/60 loan conversion. A pre-selected list of students is provided by the funder, with varying capped amounts for tuition/residence and for allowances per university and per qualification.
- 8.22 For both categories of funding, the students must sign loan agreement forms that are funder-specific.

### Special Consideration – Institution Own Funding

- 8.23 Several universities have entered agreements with NSFAS to administer loan funds on their behalf and to recover these loans from students upon graduation. These recovered loans are used to top up the grant amount offered by the university.
- 8.24 Some of these loan funds operate on the 40/60 conversion factor, and each loan funding category has its' own loan form. However, some of the institutions' operate funds which are 100% loans, with no conversion, and may require that interest is charged from the date that the loan is granted.

## Loans, Interest and Repayments

- 8.25 Interest is charged on all loans:
- 8.25.1 Commencing 12 months from the time that the student exits the university – either by dropping out or by graduating (as communicated in Circular 7 of 2011). No **interest** is charged while the student is still studying. This provision only applies to students who were studying on/after 1 April 2011. Any loans issued to students who were studying and exited prior to this date were excluded from this provision and interest is calculated from the year the loan was issued. Interest still accrues, subject to the *in-duplum* principle (see below), even if the debtor earns below the earning threshold determined by NSFAS;
- 8.25.2 The NSFAS interest rate is pegged at 80% of the repo rate announced by the South African Reserve Bank on the 1 April every year, and is fixed at this rate for that financial year (1 April to 31 March). Notifications to debtors must be made within thirty (30) working days after the date on which the new rate takes effect;
- 8.25.3 once a student has exited the university, he/she becomes a **debtor** to NSFAS – this is the first **repayment trigger**; the second repayment trigger is the **earning threshold** of the debtor. This is currently set at R30 000 per annum;
- 8.25.4 That **repayments** are based on the income earned by the debtor – this means that the repayment of NSFAS loans is **income-contingent**;
- 8.25.5 Interest is calculated daily and applied to accounts monthly; and

- 8.25.6 While the **repayment schedule** is not stipulated as part of the PASQ, once a debtor starts making repayments, the monthly repayment, the interest rate, the total repayment obligation (original capital plus interest), the payment due dates and the term of the loan will be disclosed to the debtor by NSFAS.
- 8.26 The calculation of interest on loan accounts is determined by the specific funder's product rules, and in the case of 100% loans (such as institution loans) this means that the interest begins to accrue on the exit date of the student or date of origination of the loan and not 12-months post-exit.
- 8.27 The common law *in-duplum* principle is applied when interest is charged, which means that the total interest charged on a loan may not exceed the unpaid principal loan balance.
- 8.28 Currently, there is no specific loan repayment period as loan account repayments are income-contingent. However, repayments for each credit agreement are applied first to interest, then fees to the principal debt. Repayments are applied first to the oldest loan, and then to subsequent loans in order of date of agreement.
- 8.29 If a student defaults on a repayment, no penalties or interest is charged.
- 8.30 Should a student make any dishonest or materially inaccurate statement in his/her application for a loan, or commits any breach in respect to any term in the loan/bursary agreement signed, NSFAS will be entitled to make a written demand for the whole (unpaid) balance in one lump sum.
- 8.31 In addition, students are entitled to prepay/settle in full any amount owing to NSFAS, even if it is not due or payable. Should a student settle the loan in full, the agreement between NSFAS and the student will then be terminated.

## Signing a NSFAS Loan Agreement Form

- 8.32 All students receiving a NSFAS loan **MUST** sign both a pre-agreement statement and quotation AND a loan agreement form. These two documents **MUST** be signed by the student and NSFAS in the right order.
- 8.33 ***Non-compliance could result in NSFAS refusing to pay the funds lent (in terms of that agreement) to the university until the matter has been rectified.***
- 8.34 The National Credit Act 34 of 2005 requires that all credit agreements are accompanied by a **pre-agreement statement and quotation (PASQ)** which details the full cost of credit, the interest rates applicable and the repayment terms and conditions. This pre-agreement is only valid for five days, and students who agree to the cost of the NSFAS credit must sign the LAF within five days of signing the PASQ – this means that the PASQ **MUST** be completed before the LAF. LAF signed within five days of the PASQ, amount of loan to correspond with PASQ. All student details to correspond.
- 8.35 While the PASQ is only valid for five days, the NCA does not state how long the PASQ needs to be with the borrower before the conclusion of the loan agreement (in other words, before the LAF is signed). It is acceptable therefore for the PASQ to be presented for signing and

initially only moments before signing the LAF. It is **recommended** that both are signed in the same session.

- 8.36 Student to submit certified copy of his/her ID document, certified on front face, dated within 3 months of the LAF date.
- 8.37 Students **MUST** receive a copy of their signed, duly completed forms (by email or in hardcopy). Along with the Loan Conditions attached to the PASQ, these forms make up the loan agreement documents.
- 8.38 While students remain indebted to NSFAS for their loans, students must keep NSFAS informed of any change in postal or residential address, contact details, and/or employment status and information (income, employer). Failure to do so could result in the loan becoming immediately payable.
- 8.39 Students cannot cede, assign, transfer or delegate any of the rights or obligations under the agreement without the prior written consent of NSFAS. Where employers or another funder pays the debt of the student on his/her behalf, this will be agreed upon in writing by all parties.
- 8.40 Regulations promulgated in terms of the National Credit Act 34 of 2005 require that NSFAS provide information to students about their right to submit complaints to the National Credit Regulator, the right to alternative dispute resolution, the rights to apply to the National Consumer Tribunal and the right to apply to a debt counsellor. This information and these rights are documented in the loan agreement terms and conditions document. NSFAS and/or the financial aid officers supporting NSFAS in the signing of the loan agreements must ensure that attention is drawn to this information and these rights.

## 9 NSFAS Bursary Funding Programmes

- 9.1 An increasingly bigger portion of the NSFAS funding made available to students is now in the form of bursaries. These bursaries are linked to specific programmes of study, or to groups of students (e.g. students with disabilities).
- 9.2 For the purposes of this Handbook, we will distinguish between those bursaries for whom NSFAS selects the students (most of these are allocation funders), and those which are pre-selected, where the role of NSFAS is only to facilitate the signing of agreements and the payment of funds to the university (most of these are conduit funders).
- 9.3 As a rule, bursaries **SHOULD** be the first choice of financial assistance offered to deserving students, with loans used to top-up shortfalls in bursary awards. Bursaries are highly sought after by students, and any student applying for financial assistance should be considered for bursary awards, should the criteria of the funder be met.
- 9.4 Bursaries are complementary to loans, and the bursary administrators should work together with loan administrators to ensure that the funding available in both these categories is efficiently and effectively used, in the best interests of the students.
- 9.5 While it is accepted that students may receive a mix of awards (bursaries and loans), the total award should not be more than his/her requirements, or than the NSFAS maximum cap for any given year. However, special note of bursar conditions must be taken if this is not permitted.
- 9.6 Bursaries are awards given to students in need of financial support, whose academic progress is satisfactory. While loans need to be repaid at the completion of the students' studies, bursaries do not need to be repaid, although some may include a work-back provision. This work-back provision is advantageous to the student as it guarantees paid service employment in the field of study for the period as stipulated in the agreement. Scholarships however are awarded to high achieving students, independent of the extent of financial need. These are normally offered by individual universities and are not covered by this Handbook.
- 9.7 Bursaries may have different student selection criteria and processes, different terms and conditions and different award rules, dependent on the provisions regulated by the funder. Once a student qualifies for a bursary (see further), he/she **MUST** enter an agreement with NSFAS and/or the funder in which the bursary conditions are set out.

### DHET Bursary Funding programmes

- 9.8 NSFAS administers three main set of DHET bursary funding programmes for students studying undergraduate degrees and diplomas in the public universities and universities of technology. Some of these programmes overlap into the TVET colleges (see below).



9.9 The general parameters for these broad funding categories are detailed below:

	DHET Disability	NSF Programmes	SETA Programmes
<b>Who qualifies?</b>	Students with disabilities studying any undergraduate programme, regardless of field of study.	Students studying degrees or diplomas in programmes of study identified as scarce skills, updated as required.	Each SETA specifies the programmes of study, and the universities to be supported. In limited cases, the SETA pre-selects students.
<b>Must the means test be applied?</b>	No. This funding sets an income threshold, reviewed regularly for families of students with disabilities.	Yes. With the exception for the NSF pre-selected students (NSF General)	Yes. All students needed to have applied through the normal NSFAS process.
<b>Allocation funder</b>	Yes	Yes (except for NSF General)	No
<b>What are the criteria for continuing funding?</b>	Minimum requirement is a course passed ratio of 50%	Minimum requirement is a course passed ratio of 50%	Minimum requirement is a course passed ratio of 50%
<b>Is the N+2 rule applied?</b>	No. Provision has been made for students with disabilities to complete within N+3.	Yes.	Yes. In some cases, SETAs have specified that students must complete in minimum time (=N).
<b>What forms are completed?</b>	SOP – DHET Disability. First-time entering students need to complete a disability index questionnaire in addition.	SOP – NSF Scarce Skills NSF – PostGrad (as applicable) SOP – NSF General (pre-selected lists)	Each SETA has its own SOP – some SETAs (e.g. CHIETA) require a separate contract as well.
<b>What are the parameters for funding?</b>	Full cost funding (NSFAS funding cap does not apply) + additional allowance for assistive devices and for human support. Allowance value reviewed annually.	Each of these has their own parameters, to be detailed further.	Each SETA has its own maximum award size – to be detailed in circulars to each institution. Some SETAs offer full cost funding, subject to their own parameters.
<b>Available at</b>	Universities and TVET colleges	Universities only for NSF Scarce Skills and PostGrad.  TVET colleges for NSF General.	Universities and TVET colleges (where specified by the funder)

### Bursary Funding for Students with Disabilities (DHET - Disability)

9.10 A separate policy has been approved by the NSFAS Board for the funding for students with disabilities. The main features of this policy are detailed here. This policy applies equally to students at public universities and public TVET colleges (where allocation is made for this).

9.11 The general requirements for eligibility for this funding are as follows:

- a) They have been accepted for admission at one of the public universities or TVET colleges;

## RULES GUIDE: Administering student financial aid in South Africa

- b) if they are enrolled for their first undergraduate degree, diploma, national certificate or post-graduate qualification recognised by NSFAS as a requirement for employment in a professional field;
- c) Students **MUST** have applied for financial aid through NSFAS. In the case of first-time applicants, this includes the completion of the medical report, or student information form;
- d) Students who are academically able (as per the institutions academic admission and progression requirements);
- e) Financially needy as determined by an income threshold of R600 000 pa or at the discretion of the FAO on the recommendations of the Disability Unit (DU), if the family income falls outside of this threshold, as other factors besides financial need may be considered in certain circumstances. Additional supporting documentation **COULD** be required.

### 9.12 Students with disabilities are eligible for this funding if:

- a) Their primary disability is regarded as an impairment which is "long-term, recurring and substantially limiting" may apply; The Disability Unit (DU) of the university/TVET college **MUST** support the FAO in confirming this, based on relevant medical reports;
- b) "long-term" means the impairment has lasted, or is likely to persist, for at least 12 months. A short-term or temporary illness or injury is not an impairment which gives rise to a disability;
- c) A "recurring" impairment is one that is likely to occur again. A "progressive" is one that is likely to develop or change or recur. People living with progressive conditions or illnesses are considered as people with disabilities once the impairment starts to be substantially limiting;
- d) an "impairment" may be physical or mental. A physical impairment implies a total or partial loss of a bodily function or part of the body and includes sensory conditions such as being deaf, hearing-impaired or blind. A mental impairment (psychosocial) refers to a clinically recognised condition or illness that affects a person's thought processes, judgements or emotions;
- e) An "impairment" may be substantially limiting if it imposes considerable difficulty on the person performing the essential functions of a job, determined by considering the extent, duration and impact of the condition. If a student has several conditions, these should be considered together to assess if their effect is substantially limiting;
- f) Chronic illness/medical conditions will be considered a primary disability where this substantially limits the students' daily living and impacts on teaching and learning. Funding for students with chronic illness or a chronic medical condition or a neurological disability will be done on a case by case basis and only where it severely impacts on the teaching and learning process of the student. The DU will need to play a critical role in motivating for this funding. A medical report **MUST** accompany this motivation.

### 9.13 It is important to note the following parameters for this bursary funding:

- a) The bursary is applicable regardless of field of study, on the condition that the programme is a recognised, accredited programme for higher education;
- b) Students may combine this bursary award with a NSFAS loan should the allocation of this funding to the institution not be sufficient to cover the costs of study;

- c) Minimum time to complete undergraduate studies is N+3; on merit and with the recommendation of the DU, N+4 will be considered on a case-by-case basis (to be submitted in writing to NSFAS, through the NSFAS appeals process)

9.14 It is recommended that where students with disabilities are funded through other NSFAS funding programmes (including TVET colleges, DSD, Funza, DMV, TRC) that the principles of this bursary programme are adopted by these funders to create parity between the bursary programmes.

9.15 For the TVET colleges, the costs for assistive devices and human support should be met where an allocation is made available. All other rules as apply to the TVET bursary programme apply.

9.16 The bursary covers the following key costs:

<p><b>Tuition Cost (incl registration and examination costs)</b></p>	<ul style="list-style-type: none"> <li>•Actual cost of the bursary will be in respect of courses prescribed by the university as a compulsory requirement for the degree or diploma (NSFAS cap does not apply).</li> <li>•Tuition cost for optional or additional subjects will be paid by the student.</li> <li>•Payable to the institution as charged to the student fee account.</li> </ul>
<p><b>Accommodation Cost and Meals allowances</b></p>	<ul style="list-style-type: none"> <li>•The bursary will be used to cover student's actual cost (as charged to the student fee account), even if this in private residences approved and managed by the university. This includes provision for meals and is for during academic term only if applicant is approved for accommodation by the university.</li> <li>•Accommodation cost for human support will be covered, for a student living at a university residence, if charged to the fee account.</li> </ul>
<p><b>Private Accommodation Cost</b></p>	<ul style="list-style-type: none"> <li>•To cover privately arranged accommodation, where student is directly responsible for the costs of accommodation. A certified copy of a lease agreement irt the accommodation is required. Maximum amount equivalent to the costs of on-campus self-catering accommodation will be paid. Meal allowances as per university permitted.</li> <li>•Contribution to transport to/from campus will be paid - Max R800pm</li> </ul>
<p><b>Assistive Devices Cost</b></p>	<ul style="list-style-type: none"> <li>•Value is for the duration of the qualification. One/more assistive devices to a maximum amount of R33 800 (2015), if student does not own/have access to own assistive device. On basis of recommendation from registered professional medical practitioner.</li> <li>•Upgrades, replacements, repairs payable annually. Replacements will only be considered where an assistive device has been damaged through circumstances beyond the students' control (ag. acts of God)</li> </ul>

<p><b>Learning Materials Cost</b></p>	<ul style="list-style-type: none"> <li>•Maximum of R4 600 in respect to books and other study materials for compulsory subjects.</li> <li>•Laptops only considered as per the NSFAS Learning Materials policy.</li> </ul>
<p><b>Human Support Cost</b></p>	<ul style="list-style-type: none"> <li>•Maximum capped value of this allowance is pegged to assistive devices allowance (i.e R33 800 in 2015), but available as an annual payment. To be paid to the university department responsible for this arrangement. Please see policy for more details.</li> <li>•No provision for meals allowances for carers as they receive stipend from DU.</li> </ul>
<p><b>Transportation costs while in private accommodation</b></p>	<ul style="list-style-type: none"> <li>•For those funded students approved for private accommodation, NSFAS will pay a contribution towards the transportation costs for travel to/from campus to a maximum of R800/month.</li> <li>•This transport allowance can be used for work placement where it is a requirement of the academic programme and at the motivation of the Disability Unit.</li> <li>•For students with wheelchairs, this transport allowance may be used for students staying at home.</li> </ul>

9.17 The HEDSA coding framework has been adopted by NSFAS for use in the application process. All reporting should be against this coding framework:

Washington Group	Category of Disability	Description of Disability
Sensory Disability	<b>Blind</b>	No functional vision
	<b>Partially-sighted</b>	Functional vision with limitations that may be reduced using electronic or manual low-vision devices. (Vision cannot be fully corrected using prescriptive lenses)
	<b>Deaf (capital D)</b>	Little or no hearing: generally makes use of South African Sign Languages (SASL) and typically subscribes to Deaf Culture
	<b>deaf (lower case d)</b>	Little or no hearing, do not make use of Sign language as a medium of communication, makes use of various means of communication such as speech, speech reading/cochlear implants or a combination of these. Aligns with impairment/disability and the hearing world.
	<b>Hearing Impaired</b>	None, little or some hearing: generally makes use of appropriate hearing technology e.g. Cochlear Implants, Hearing Aids, and other assistive listening/living devices and typically uses verbal communication. Align themselves with impairment and the hearing world.
	<b>Hard of Hearing</b>	Persons with different degrees of hearing loss, who do not

Washington Group	Category of Disability	Description of Disability
		align with impairment and disability.
	<b>Deaf-Blind</b>	No functional vision and no hearing
Specific Learning / Developmental Disability	<b>Neurodevelopmental Disabilities</b>	Intellectual Disabilities Communication Disabilities, Language and Speech Disability (e.g. stuttering), Autism Spectrum Disorder, Attention Deficit/Hyperactivity Disorder (ADHD), Specific Learning Disabilities
Psychosocial / Psychiatric Disabilities	<b>Psychosocial Disability</b>	Such as Depression, Schizophrenia
Physical Disability	<b>Physical Disability</b>	Loss of a limb or makes use of crutches, Wheelchair User, Person with Cerebral Palsy
	<b>Chronic Illness</b>	A long standing medical condition /illness that affects daily functioning. Such as Chronic Heart Condition, Chronic Diabetes Cancer
Any disability not mentioned above	<b>Give details</b>	Any disability not mentioned above
Physical Disability of a Temporary Nature	<b>Temporary Disability: disability not longer than 6 months</b>	Physical Disability of a Temporary Nature (e.g. car/sports injury)

- 9.18 All students with disabilities need to submit Annexure A at the point of application, and serves the purpose of confirming the disability and to state the support the student would benefit from.
- 9.19 This form needs to be completed by a certified, professionally registered medical doctor or other appropriately qualified professional including but not limited to optometrists, physiotherapist, audiologists. The head of the Disability Unit may also complete this form on behalf of an applicant. Should an applicant have completed their schooling at a public ordinary school or have received rehabilitation support from one of the local or provincial state clinics, the Head of the support services may complete this form.
- 9.20 For psycho-social and neuro-developmental delays, a detailed report (not older than 3 years) from a registered psychologist or psychiatrist will need to be provided to support this application.
- 9.21 For any chronic illness, a detailed recent medical report (within last six months) will need to be provided to support this application, and must explain how the conditions impact on the teaching and learning process of the student.

### **DHET Reparation Funds – On behalf of the Truth and Reconciliation Commission**

- 9.22 The TRC bursary is only available to qualifying students (applicants) at tertiary level (universities, universities of technology and public TVETs) and not at school level:

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- a) **Victims-** Persons who have been found by the Truth and Reconciliation Commission (the TRC) to be victims.
- b) **Relatives of victims:**
  - i) Parents of, or persons who exercise or exercised parental control over, a victim;
  - ii) A person married to a victim under any law, custom or belief;
  - iii) A child of a victim, irrespective of whether the child was born of unmarried persons or was legally adopted; and
- c) **Dependants of victims -** Persons to whom a victim has or had a legal or customary duty to support, such as a grandchild of a victim.

9.23 The following parameters are to be noted:

- a) The gross income of the household must be less than R198 000, where a household is defined as the persons who live together by marriage or by birth (parents and grandparents);
- b) The household should be defined as vulnerable – that is, 4 or more people in the household, with the majority either over 65 years of age or receiving SASSA grants; 1 member of the household may be mentally or physically disabled; 1 person who is less than 18 years and working to support the family, or where there is only one person working;
- c) The level of education of the victim, relative or dependent may also be a consideration; and
- d) Depends on the quantum of funding made available by the State.

9.24 To qualify, interested applicants need to apply to the TRC unit at the DoJCD. Once their TRC status has been verified, their application will be considered. If approved, the applicant must be studying a formal first-level qualification, and the funding is subject to the N+2 rule.

9.25 NSFAS will be informed by the TRC of the names of successful applicants. NSFAS will arrange for registration information for the student so that the SOP can be created and signed.

9.26 Students qualify for full cost of study funding: tuition (registration, tuition, levies), accommodation, meals (R16 000 pa), books (R5 000 pa), travel where applicable, laptop upon application. Maximum award (2014) was R65 000. Authorisation to exceed cap amount needs to be provided by the TRC unit at the DoJCD.

### NSF Scarce Skills and Disability Funding Programme

9.27 In terms of the existing MOU with the National Skills Fund:

- a) Students may only be funded to the value of the annual NSFAS capped amount, with allowances to be as for DHET General;
- b) Bursary covers first tuition and accommodation, then allowances;
- c) Students with disabilities are eligible to receive the same allowances under this funding category as per the DHET Disability funding, where this is within the cap (otherwise they can access funds from the DHET Disability funding);
- d) For students with disabilities, the cap applies for tuition and residence costs – additional costs such as allowances for assistive devices and human support can be topped up under DHET Disability.
- e) For the 2017 academic year, an allocation will be made to each university – NSFAS to make selection on basis of criteria below.

9.28 NSFAS will retain the responsibility of recruiting and selecting students for bursary awards for study for a national diploma or degree at any public higher education institution as defined in section 1 of the Higher Education Act, No. 101 of 1997.

9.29 Students will only be eligible for funding if they have met the minimum requirements for funding as determined by NSFAS from time to time:

- a) Students must be academically deserving (50% of courses passed, and within N+2 to graduate);
- b) Means test ranking of financial need must be undertaken, exception being the students with disabilities;
- c) Equity targets (headcount) must be reached by each university:
  - 85% black students
  - 54% female students
  - 5% students with disabilities - This equity target must be addressed before using DHET Disability funding. Students may receive top-up from DHET Disability.
- d) Students must be studying in one of the scarce skills fields below:

Business, Commerce and Management	Science, Engineering and Technology	Humanities and other
<ul style="list-style-type: none"> <li>• Accounting</li> <li>• Financial Management</li> <li>• Actuarial Studies</li> <li>• Auditing</li> <li>• Business Management</li> <li>• Economics</li> <li>• Financial Accounting</li> </ul>	<ul style="list-style-type: none"> <li>• Physics</li> <li>• Computer Science</li> <li>• Chemistry</li> <li>• Geology</li> <li>• Information Systems</li> <li>• Mathematical Sciences</li> <li>• Agriculture</li> <li>• Statistics</li> <li>• Biotechnology</li> <li>• Engineering</li> </ul>	<ul style="list-style-type: none"> <li>• Education (as per the Funza Lushaka priority fields)</li> <li>• For all students with disabilities, all other fields of study are included</li> </ul>

9.30 Students will be selected in accordance with the scarce skills requirements as set and communicated in writing by the NSF on an annual basis:

- Students will be required to submit all documentation required to assess financial eligibility and will be means-tested (as applicable) per the NSFAS means test; or
- Students with disabilities will be selected if their combined household income is less than the income threshold as set by NSFAS annually and whose primary disability has been confirmed as an impairment which is long-term, recurring and substantially limiting; and
- Students **MUST** be studying a **recognised degree or diploma** programme at a South African public higher education institution; and
- Students will be required to have demonstrated sufficient academic potential to succeed and made sufficient academic progress in the prior year (as per the NSFAS requirements); and
- Students **SHOULD** be funded by this funding category throughout the duration of their qualification, on condition that they meet the requirements for their degree or diploma.

9.31 The maximum award to be allocated per student will be determined by NSFAS annually and communicated to all institutions in writing. This maximum award size will exclude the cost of providing an assistive device if the student is a person with a disability.

9.32 The bursary amount must be used to cover:

- Registration and tuition fees for prescribed (but not optional) courses
- Accommodation costs on campus or as per the student fee account (including meal costs where applicable)
- Books and other prescribed study materials
- Private accommodation costs – where this is not greater than the cost of on-campus accommodation and the student is eligible for on-campus accommodation but cannot be accommodated on campus (and meal allowances as applicable)
- Transport costs (and/or allowances as applicable)

### **National Skills Fund (NSF) General**

9.33 The NSF will invite applications from eligible students for bursaries to study for a national certificate, diploma or degree at any of the public universities and/or TVET colleges. Based on those application documents and any interviews the NSF may wish to conduct, the NSF will select those students to whom it wishes to award bursaries (“the bursary students”).

9.34 NSFAS will communicate this list to NSFAS and NSFAS will make the awards for these students, by requesting registration information. NSFAS will then create the LAFSOP for the student to sign.

9.35 The overriding intention is that, if any bursary student is on track to complete the qualification within a period which is not more than two (2) years longer than the minimum period prescribed by the relevant Institution, the bursary awarded to that Student will be renewed at the beginning of every academic year. For study programmes with a minimum period of less than three (3) years, and where a student does not pass all courses for which the student was enrolled within a specific year, semester, trimester or term, this will not apply and the renewal of the bursary at the beginning of the next year, semester, trimester or term will be at the sole discretion of the NSF.

9.36 As such, continuing students who are not making satisfactory academic progress will not have their bursaries renewed.

### **National Skills Fund Post-Graduate Funding (NSF PostGrad)**

9.37 The NSFAS Post-Graduate funding will be renewed by the NSF on a discretionary basis, and may be discontinued by the NSF. For the 2017 academic year, this funding programme will be administered in partnership with the National Research Foundation (NRF).

9.38 Continuing students who wish to be funded by the NSF Postgraduate funding will need to apply to the NRF through their online system, and indicate their choice of postgraduate programme. Only South African citizens are eligible for this funding.

9.39 Although this funding is not limited to students who were previously funded by NSFAS, previously funded students who are in the pipeline and are continuing with their studies may be given priority. Applicants that already hold an Honours or BTech degree will not be considered for funding. No undergraduate degrees will be funded with this funding programme.



- 9.40 Students will be required to have demonstrated sufficient academic potential to succeed and be on track to complete their post-graduate degree within the recommended minimum time frames.
- 9.41 This bursary is intended to support Honours students and some final year students undertaking BTech studies at public universities and research institutions in South Africa. Only approved and recognised post-graduate programmes will be funded.
- 9.42 The maximum value for this fund will be determined annually by NSFAS and the NSF. For the 2017 academic year, the bursary cap is R76 000. No consideration will be given to exceeding the maximum cap as the funding for this category is limited. The bursary support is for one year only and is not renewable.
- 9.43 The bursary amount must be used to cover tuition (inclusive of registration) for prescribed but not optional courses, books and other prescribed learning materials. In addition, the bursary will cover accommodation and/or meal costs (or allowances as applicable) and transport.

#### **NSF Strategic Projects – SAICA (UWC, Limpopo, UFH)**

- 9.44 This is a project annually renewed based on proposals received from the respective Schools of Accounting at each of these universities. Parameters, conditions and selections are as per agreement with each university.

#### **Sector Education and Training Authorities (SETAs)**

- 9.45 For each of the SETAs under management, NSFAS has a separate memorandum of understanding/agreement in place governing the disbursement of funds from the SETA to NSFAS and from NSFAS to the universities.
- 9.46 A draft NSFAS-SETA bursary policy is under development jointly with the DHET, NSFAS and the SETA forum. This bursary policy will also bear reference in the Handbook once it has been approved. However, the following key elements should be noted:
- a) SETA bursary funding will be focused on South African citizens, targeting those who have enrolled or are intending to enrol at a PSET institution(s);
  - b) Applicants will need to be made through the NSFAS central applications process and NSFAS will be obligated to ensure that there is sufficient information available about the different types of SETA funding;
  - c) The SETA Bursary shall focus on addressing scarce and critical skills, prioritizing academically deserving students and/ or financially deserving students admitted at PSET institutions with a purpose of addressing Sectoral Skills needs;
  - d) The student shall be funded for the duration of the whole qualification on condition that the student meets the academic progression criteria of the qualification registered for: with the provision that bursary funding will not include repeat courses/subjects. The NSFAS academic progression rule will apply;
  - e) If a bursary holder wants to change or alter the field of study, subjects or the institution which he or she has enrolled or intending to enrol, he or she must do so with the permission of NSFAS within thirty (30) days before changing and the SETA must agree to the changes through written agreements.

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- f) The bursary will include the following: registration fee, tuition fees, accommodation and meals (use policy as prescribed by the PSET institution), prescribed books where applicable, academic excursions and tours, academic uniforms and any other core items, transport allowance where applicable; and
- g) The bursary will exclude late registration fee and the changing of major Subjects or modules added without prior permission or approval by SETAs.

9.47 Despite the differences amongst the SETA funding programmes, all the SETA require the following key data fields to be completed in full on their SOPs:

- a) ID, Name, Surname
- b) Full Name of the Qualification, NQF level, Level of Study (final year or other)
- c) The province, district municipality and town from which the student comes from (and whether this is considered urban or rural).

9.48 In addition, all SETAs require confirmation of registration for that academic year for each student and the end-of-year academic transcript for each student funded. In some cases, the SETA requires detailed analysis of the academic progress of the student in terms of whether they are passing the required credits to complete within N, and details of courses failed, as these are not funded in the following year.

9.49 In the interim, the following serves as a guide for the current SETA programmes on offer:

	Fields of Study <sup>11</sup>	Parameters <sup>12</sup>	Criteria	Other
<b>CETA</b>	Construction related fields e.g. civil engineering, building, town/regional planning, electrical engineering, quantity/land surveying, architectural technology, construction management	- R60 000pa maximum award	Academically able. Means tested.	- 40% of students must be female - 2% must have a disability
<b>CHIETA</b>	Chemical sector related disciplines e.g. BSc (Chemistry), BSc (Physics), BSc (Environmental Affairs), BSc (Agric), BPharm, ad national diplomas in Chemical Engineering, Marketing, Sales, Quality Management, Safety and Health, Manufacturing	- Awarded annually and renewable - Period of study not greater than 3-4 yrs - R45 000pa maximum award - Award must cover first tuition then books	Means test. Maths and Science as NSC grade 12 subjects.	None
<b>FASSET</b>	Students studying to become Chartered Accountants; Management Accountants; Auditors, Economics, Informatics	Students will be funded for three years (1st, 2nd and 3rd year). Maximum award = R75 000 in 2016	Black African SA citizens only. Means test assessed + academic results	FASSET selects which universities and which students are to be funded - lists of eligible students submitted to NSFAS
<b>FPMSETA</b>	NDip Clothing	As per NSFAS	Academically	First year and

<sup>11</sup> For updated lists, consult the Scarce Skills listing of each SETA – all qualifications with an NQF level higher than 6 (diploma), 7 (degree), 8 (doctorate) could be considered

<sup>12</sup> As at August 2015 – these are subject to change as new agreements are signed between NSFAS and any of these SETAs. Please consult Circulars sent by NSFAS in this regard.

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	Fields of Study <sup>11</sup>	Parameters <sup>12</sup>	Criteria	Other
HWSETA	Management, Fashion Design, Graphic Design, Journalism, Textiles, Multimedia, Pulp and Paper, BSc Forestry, BTech Fashion Design, Communications and Marketing, Finance, HR, IT	parameters.	able. Means tested.	continuing students
	Students studying Health and Social Services related studies	Maximum award is R60 000 per annum. If costs > R60 000, priority must be given to tuition, registration and study materials. Any balance can be used for transport and basic living expenses.	Preference given to Final Year students. funded previously by HWSETA, then Final Years not previously funded. Then second to Final Year students.	SETA requires proof of registration for all funded students. Copy of student academic records required for renewal
MERSETA	Focus on engineering studies. ALL types. Technicians and engineers.	Maximum amount capped at R35 000 per annum. Can be topped up with NSFAS loan. Funds must first be allocated to tuition, then books, meals, transport, then accommodation	Students must be assessed against means test and academic eligibility requirements	No failed subjects are covered by this bursary
MQA	No qualifications specified. Have used this to meet over-claims or where SETAs have not paid.	Not specified. As per NSFAS parameters.	Academically able. Means tested.	List of 12 initial students sent. Updated list in 2015
SASETA	Law, LLB, Baccalaureus Legum, BA Juris Criminalis, Criminology, Legal Studies, Security Studies, Computer Systems and IT, BSC Microbiology, Genetics, BioChemistry, Cell Biology, Clinical Psychology	Period of study not longer than 4 years. Maximum value = NSFAS cap.	Academically able. Means tested.	Workplace experiential learning. Includes "first examination re-seating" if not exceeding max.
ServicesSETA	Fields of study: B Com Management Studies; B Com Bus. Man.; B Com Econ.; B Com./BA Ind. Psych.; B Com; B Com. Marketing Management; B Com/BA Labour Relations; NDip Management; NDip Office Management/ Techn; NDip Marketing; NDip Admin Man; NDip Info Tech; NDip HR Man; NDip Entrepreneurship; NDip	Maximum award is R60 000 per annum	Qualify ito the means test and academic progress requirements of NSFAS	Students cannot be registered for courses longer than 3 years.

	Fields of Study <sup>11</sup>	Parameters <sup>12</sup>	Criteria	Other
TETA	Fashion Design; NDip Small Bus Man			
	Aeronautical engineers, avionics, aircraft related technical fields, electronics engineers, industrial and production engineers, mechanical engineers, civil engineers, meteorologists, mining and metallurgical technicians, software engineer, freight and logistics,	Period of study not longer than 3 years. Maximum cap specified R71 000pa (2013).	Academically able. Means tested.	Workplace experiential learning.
WRSETA	Accounting (BCom), HR (industrial relations), Marketing and sales, Logistics, Operations Management in Retail Management, Retail Management, Credit Management, Clothing technology, food technology, purchasing management, information technology, supply chain management	Period of study not longer than 3 years. Maximum cap specified R60 000pa (2013).	Academically able. Means tested. Student list needs to be approved by the WRSETA. Renewals subject to scrutiny by SETA on a student by student basis. Student must be on track to graduate within minimum time.	Workplace experiential learning. SETA will not cover courses failed.

9.50 Circular 1 of 2015 refers to an email correspondence sent to all Financial Aid Offices requesting that the academic results for all students are submitted to NSFAS for packaging to the SETAs. An excel template control sheet was emailed to all and was attached to this circular. All results **MUST** be sent to NSFAS by the latest mid-January of each academic year.

9.51 An academic transcript per student is required, clearly showing the student number and name, in alphabetical order. The images should be scanned as .pdf or .tif files and can be emailed to NSFAS, named as follows: ACADEMICYEAR<sup>13</sup>\_UNIVERSITYNAME\_NAMEOFSETA. Failure to do so will result in continued funding not being offered to students who were previously funded. The SETAs have indicated that they will not consider funding any student where the results have not been received by NSFAS.

<sup>13</sup> E.g. 2015\_UKZN\_MERSETA

## 10 Other Government Bursary Funding Programmes

- 10.1 A summary of the key features of these bursary programmes is provided below. More detail will be provided on some of these programmes, where necessary.

### Funza Lushaka Bursary Scheme – DBE

- 10.2 This is a multi-year bursary scheme that aims to attract students into the field of teaching. The bursaries are multi-year commitments to fund undergraduate qualifications in priority areas as determined by the DBE, with selections made by the DBE and Faculties.
- 10.3 Prospective students will apply directly to the DBE, and will be selected annually by the DBE and the respective Faculties. Students will need to be applying for study in one of the priority subjects and phases as determined annually by the DBE. No financial means test is required.
- 10.4 Awards to individual students will be capped per institutions, and where costs are greater than the maximum value for that institution, the students will need to fund the balance themselves.
- 10.5 These bursaries are subject to work-back arrangements, in which the DBE will place graduates in schools where their skill is required.
- 10.6 Where the student defaults on this placement commitment, changes field of study/programme or does not meet the performance requirements for the bursary, the bursary will be converted to a loan and the student will need to pay this back to the DBE. Bursars who drop out or change subjects away from the priority fields will no longer be funded, and the university needs to advise the DBE so that NSFAS can initiate the recovery of the bursary as a loan. If a student passes away while completing his/her study, the university must inform the DBE who will inform NSFAS to cancel bursary.
- 10.7 Students and/or the DBE must inform NSFAS of such breach of contract to initiate repayment arrangements as per the conditions of the bursary. The remainder of the bursary will be converted into the defaulted loan programme and the conversion from bursary to loan will be applied on a pro-rated basis. The interest holiday of 12 months will apply to defaulting debtors if default is within first 12 months of work-back obligation. If the 12 months has expired, interest on the converted loan will be applied immediately.
- 10.8 This programme includes funding for graduate studies (PGCE) and undergraduate studies. More information on the priority phases and subjects is available on the DBE website.
- 10.9 For students who are not carrying a full academic load:
- 10.9.1 Students who require a fifth year to complete their studies will be funded on a pro-rata basis, case-by-case.
  - 10.9.2 PGCE students are also funded on a pro-rata basis. PGCE over 2 years should be awarded half (50%) of the value of the full-time equivalent allocation.
  - 10.9.3 UNISA is an exceptional case and a special pro-rata based model has been developed for use. UNISA students who enrol for less than 50% of a full-time equivalent course load will not be considered for funding through the Funza Lushaka bursary programme.

This excludes final year Funza Lushaka bursars who need to repeat a few modules to qualify.

### **Bursary Scheme for Social Work students - DSD**

- 10.10 Selection of the students for this bursary is undertaken by the national department, with provinces submitting their nominees to the national department. A list of successful candidates is then sent to NSFAS by the national office, and NSFAS informs the universities as to the details of the students who have been funded. Only lists sent to NSFAS from the national department will be honoured. No lists sent directly to the institutions, from either the national department or the provincial departments will be honoured.
- 10.11 These are bursaries for students studying social work only.
- 10.12 This is a conduit allocation – no university-specific allocation. Once NSFAS has received a confirmed list from the DSD, registration information will be required against which a LAFSOP will be created for signature.
- 10.13 The following are the key parameters for this bursary:
- 10.13.1 This is a full cost bursary (accommodation, tuition, meals and books), which means that the DSD will settle the total actual amount charged by the university, as owed by the student to the bursary;
  - 10.13.2 University approved allowances must be applied;
  - 10.13.3 At non-residential universities (UNISA), only tuition fees and book allowances will be covered;
  - 10.13.4 Only courses or modules that are relevant to the Social Work degree will be paid for;
  - 10.13.5 Repeating subjects are excluded from the annual tuition cost and **MUST** be settled by the students themselves.

### **Department of Military Veterans (DMV)**

- 10.14 All qualifications (undergrad and post-grad) are considered and funded.
- 10.15 Public and private universities and TVET colleges are funded, at discretion of the DMV. No academic requirements for eligibility or progression have been specified, and is at the discretion of the DMV.
- 10.16 Annual renewal of the funding per student – students are not funded for full duration of qualifications. Lists of students to be funded are sent at the discretion of the funder.
- 10.17 Full cost (tuition, residence, registration) bursaries to a maximum cap specified annually (with provision for this cap to be exceeded if full cost is greater than the capped amount). This includes allowance for books and laptop (one per academic period). The DMV may authorize discretionary payments (written instructions).

### **Department of Agriculture, Forestry and Fisheries (DAFF)**

- 10.18 This is a conduit allocation – which means no universities receive specific allocations. The DAFF selects the successful candidates and submits list to NSFAS.
- 10.19 Students are selected from the Agriculture and Science fields.

### KZN Premiers Office

- 10.20 The KZN Premiers' Office offers scholarships and the 40/60 bursary/loan (NSFAS type) to students from KwaZulu-Natal:
- Top 10 from the Matric results get the scholarship (SOP);
  - The remainder is offered the loan/bursary for which the NSFAS rules apply - 40/60% conversion (LAF).
- 10.21 A preselected list and breakdown of allowances per student is supplied by the funder. The maximum cap varies by qualification and institution.

### Eastern Cape Premiers Office – EC Scholar

- 10.22 Like the KZN Premier's Office, the Eastern Cape Premiers' Office offers a mix of bursaries (scholarships) and loans to students from the Eastern Cape.
- The EC Scholar is offered as a bursary to a selected list of top achievers in the province, and is not means-test dependent. In the 2015 academic year, the maximum amount for each student selected is R80 000 for new beneficiaries and R50 000 for continuing students (SOP). If the student requires a top-up on this funding, this can be drawn from the EC Province loan fund, subject to the means test outcomes and academic progression (to the NSFAS maximum cap);
  - The EC Province Loan fund (LAF) is operated as an allocation to selected institutions, with students selected from the FAO applicant pool against a list of scarce skills (more detail will be provided in the Loans module)

## The DHET TVET Bursary Funding programmes

- 10.23 NSFAS administers two main set of bursary funding programmes for students studying at public TVET colleges. The general parameters for these broad funding categories are detailed below:

	NCV	Report 191
<b>Must the means test be applied?</b>	Yes	Yes
<b>What programmes are funded?</b>	NCV Levels 2 to 4 as annually updated list in Annexure B	NATED N-13 (engineering) and N4 – 6 as per annually updated list in Annexure B
<b>What forms are completed?</b>	Bursary Agreement Form (SOP) for the NCV	Bursary Agreement Form (SOP) for Report 191
<b>What are the parameters for funding?</b>	Minimum of 70% of allocation must be ring-fenced for tuition. Provision for Travel and Accommodation maximum of 30% of allocation.	Minimum of 70% of allocation must be ring-fenced for tuition. Provision for Travel and Accommodation maximum of 30% of allocation.

- 10.24 This Handbook must be referenced against the 2017 Bursary Rules and Guidelines document published by the DHET for the administration and management of the TVET College Bursary Scheme. As per the National Plan for Further Education and Training Colleges in South Africa (2008), the Department is responsible for developing the rules and guidelines for the administration and management of the TVET College Bursary Scheme.

- 10.25 The DHET allocates bursary funds to NSF-TVET colleges on an annual basis – this is to meet the 20% of the student own contribution to the college fees where students do not have the financial means to meet this cost themselves.
- 10.26 The allocation is determined by the DHET in line with the FTE enrolment in the NCV and Report 191 programmes. This allocation will be communicated to NSFAS in writing annually.
- 10.27 To ensure fair and accurate distribution of the bursary funds, the following is considered:
- The programme costs as approved by the DHET in terms of the funding norms;
  - The DHET approved NCV and Report 191 (NATED) enrolment plans;
  - The academic performance and retention of students in the NCV and Report 191 programmes;
  - TVET college fees; and
  - Available funding.
- 10.28 NSFAS is bound by this guideline (paragraph 10) to prioritise the awarding of college fees to qualifying students to limit the risk of the student accruing unnecessary debt for College fees. Full payment of College fees is critical.
- 10.29 As such, a **minimum of 70%** of the total bursary allocation **must be allocated to tuition** fees of qualifying students.
- 10.30 Colleges may consider applications for travel and accommodation allowances subject to the availability of fees. In cases where funds are available for allowances, Colleges may earmark a maximum of 30% of their total bursary allocation to cover allowances. Colleges may use their discretion to affect an upward deviation of not more than 5% for allowances. However, Colleges must submit a formal request together with a detailed motivation to the DHET for approval.

### Criteria for Awarding Bursaries to Students

- 10.31 TVET colleges are required to use these conditions when awarding bursaries to students and must assess the bursary conditions prior to the awarding of a bursary:
- 10.31.1 Only South African citizens are eligible for this bursary scheme;
  - 10.31.2 Students **MUST** be registered or intending to register for an approved NC(V) or Report 191 programme at any one of the public TVET colleges;
  - 10.31.3 The college **MUST** be satisfied that the student is meeting the criteria for academic progress using evidence of good academic performance.
  - 10.31.4 The financial need of the student **MUST** be assessed using the Financial Means Test Tool as a guide when awarding bursaries to students. A student who is means-test waived only need provide a certified copy of his/her identity document (or birth certificate if **not older** than 18 years).
- 10.32 Bursary applications are made through NSFAS (online or paper-based), and needs to include the documents listed below. Incomplete applications (and those without supporting documents) will not be accepted:
- ID of the applicant (or birth certificate if younger than 18 years);
  - Registration documents (statement of results, academic record or proof of registration) – if submitting paper application;
  - ID documents of all members of the household;



- d) Income information of the parents and/or guardian (SASSA pension and child grant is **not regarded as a form of income**);
  - e) Proof of residential address (as per FICA requirements) – physical addresses of students will be verified especially for those who will be eligible for travel and accommodation allowances.
- 10.33 Students who are NSFAS beneficiaries are not required to pay registration fees, and Colleges may not exclude such students based on their inability to pay registration fees. Upfront payments/advance payments from NSFAS are for this purpose.
- 10.34 Continuing NSFAS bursary recipients with no break in funding or studies must not apply again. Previous examination results obtained from the DHET will be used to determine eligibility.
- 10.35 NSFAS will award bursaries to students based on their highest degree of financial need and the best academic performance. Therefore, meeting the entrance requirements for the NCV and Report 191 is not sufficient to qualify – students will be ranked on their academic results.
- 10.36 All students who fail to progress to the next level of their studies will not be funded to repeat a level that they have failed.
- 10.37 The bursaries **MUST** be awarded against an approved and signed agreement between the DHET/NSFAS and the student – this agreement is referred to as the Schedule of Particular (SoP). It is important to note that only the students who have been awarded bursaries are required to sign the SoP.
- 10.38 Students must sign the SOP within 5 working days of notice from NSFAS. Only one SOP will be signed for the duration of their studies, if they do not fail nor exit the academic programme.
- 10.39 No refunds will be made if there is a balance in the student's account after his/her account has been settled. All unutilised funds will be returned to NSFAS for re-distribution.
- 10.40 Colleges must maintain a FAC to enforce compliance with the rules and guidelines and to develop criteria for the determination of allowances, adjudicating the applications for allowances and determines the allowances values payable.
- 10.41 Colleges must credit the student fee accounts within 2 weeks of receiving bursary funds from NSFAS. Students must be provided with copies of their fee statements within two weeks of having received payment.
- 10.42 Appeals must be lodged in writing with the College Bursary Appeals Committee within 10 days of having received the outcome of his/her bursary application. The Bursary Appeals Committee will moderate these appeals, and subject to the availability of funding, will recommend successful appeals to NSFAS for funding.
- 10.43 A register of all appeals must be kept – refer to earlier section in respect to appeals for more information.

### NCV Specific Considerations

- 10.44 Applicants who were awarded bursaries for NCV Levels 2 and 3 in the previous academic year, and who have performed well academically in that academic year and are progressing to the next level, **SHOULD** be prioritised for bursaries for NCV Level 3 and Level 4.
- 10.45 A bursary may only be awarded to students progressing to the next NCV level if they have passed at least 5 subjects in the previous NCV level. This will be phased in for students progressing to NCV level 3 in 2017 and NCV level 4 in 2018.
- 10.46 Students may be awarded bursaries up to a maximum of four years for the NC(V) programme – the 4<sup>th</sup> year bursary should be awarded **ONLY** in the fourth year of study (after level 4) to allow students to complete any outstanding subjects – this provision is only applicable to continuous study. The applications for travel and accommodations allowances for this cohort of students may be considered subject to the availability of funds. This provision is only applicable to continuous study and on a pro-rate basis. No bursaries will be awarded for a fifth year.
- 10.47 Where bursaries are awarded for outstanding subjects only, the costs per subject should be calculated by dividing the programme cost (which is the student college fee) by 7.

### Report 191 Specific Considerations:

- 10.48 On application, Report 191 programme students must apply for all semester or trimester courses for the duration of the programme.
- 10.49 Applicants who were awarded bursaries for N1 to N5 in the previous semester/trimester, and who have performed well academically in that semester/trimester, and are therefore progressing to the next N level should be prioritised for bursaries for N2 to N6 in the current semester/trimester considering the availability of funds.
- 10.50 A bursary may only be awarded to students if they have passed a minimum of 3 subjects in the previous N-cycle.
- 10.51 Students may be awarded a bursary if they have **passed at least 3 subjects** at N3 and N6 respectively **and** have **one** outstanding subject for full certification. This provision is only for a period of four to six months, and is applicable to continuous study which will be paid pro-rata. The application for travel and accommodation allowances for these students will only be considered subject to the availability of funds.
- 10.52 Where bursaries are awarded for outstanding subjects only, the costs per subject should be calculated by dividing the programme cost (which is the student college fee) by 8 for semester programmes and by 12 for trimester programmes.

### Special Considerations

- 10.53 Bursary recipients who switch from one programme to the other (i.e. from NCV to Report 191 N1 to N3 or vice versa) or who changes programmes within an NCV or Report 191 stream during their studies are not eligible for financial assistance.

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- 10.54 Bursary recipients who complete NCV level 4 are not eligible for financial assistance should they want to enrol for another NCV programme or Report 191 N1 to N3.
- 10.55 Bursary recipients who complete Report 191 N4-N6 are not eligible for financial assistance should they want to enrol for another Report 191 programme N4 – N6 or an NCV programme.
- 10.56 However, bursary recipients who complete NCV Level 4 are eligible for financial assistance for an additional two-year period should they want to enrol for Report 191 N4-N6.
- 10.57 Credit transfers between NSC and NCV is recognised for English HL or FAL, Mathematics, Mathematical Literacy and Physical Science.
- 10.58 These awards are limited to one NCV or Report 191 programme per student.

### **Costs to be included in the bursary for 2017**

- 10.59 College fees as indicated in the programme costs of the current academic year. This is the priority in the allocation of funds to students.
- 10.60 Allowances as below:
- 10.60.1 Travel – maximum of R7 864. Students who reside further than 10km from the College may be considered for travel allowances subject to the availability of funds. Students residing within 5-10km of the College can only be considered for travel allowance provided all students who reside further than 10km have been covered and there is available funding (within the 30% maximum). The actual allowance may therefore be less than the maximum permitted.
  - 10.60.2 Accommodation – maximum of R20 970. This accommodation is inclusive of meals. Landlords must provide at least 3 meals a day. Private accommodation allowances can only be considered when the TVET has no residential facilities available, and only to students who live more than 40km from the TVET college. Allowances will be paid via sBux, with students transferring vouchers issued for accommodation to the landlord concerned. Landlords must be accredited by the TVET college first before being signed up as a merchant for sBux. The actual allowance may be less than the maximum permitted.
  - 10.60.3 Students who are awarded travel allowances must not be considered for accommodation allowances and vice versa.
  - 10.60.4 Allowances can only be considered if college fees for all successful students have been met.
  - 10.60.5 Allowances cannot be top-sliced by the College.
- 10.61 Notwithstanding the distance requirements, the academic ratings (1-7) as per the means test must be taken into consideration when determining eligibility for awarding allowances.
- 10.62 The payment of travel and accommodation allowances must be linked to attendance and punctuality. NSFAS will not disburse travel and accommodation allowances to a beneficiary who fails to meet the minimum 80% class attendance in any given month. This report will be submitted to NSFAS monthly. Any funds which are not paid to students because of non-compliance with this policy will be returned to NSFAS as a credit.

**Funding for Students with Disabilities (DHET-Disability) at TVET colleges**

- 10.63 A separate policy has been approved by the NSFAS Board for the funding for students with disabilities. This was detailed in the earlier section.
- 10.64 This is top-up funding for students already approved for the NCV and Report 191 funding, and provides for the assistive devices and human support only. It must be funded from the NCV and Report 191 allocations to the TVET colleges.
- 10.65 New and continuing students who have been accepted for admission at one of the public TVET colleges may apply for this bursary, if they are enrolled for the NCV or Report 191 programmes approved by the DHET for that TVET. Students must meet the academic eligibility criteria for the NCV and Report 191 programmes.
- 10.66 Additional allowances for assistive devices and human support are covered under this provision.
- 10.66.1 Assistive Devices Cost – Value of the allowance is for the duration of the qualification (NCV level 2 to 4 or Report 191 N1 – N3 or N4 – N6). One/more assistive devices to a maximum amount of R33 800 (2015), if the student does not own/have access to own assistive device. This will be based on recommendation from registered professional medical practitioner, and dependent on the Annexure A which is submitted by the student upon application. Upgrades, replacements, repairs payable annually.
- 10.66.2 Human Support Cost – the Value of this allowance is pegged to assistive devices allowance (i.e R33 800), but available as an annual payment. To be paid to the College department responsible for this arrangement. Detailed records of such transfer payments need to be kept for audit purposes.
- 10.66.3 Accommodation costs for an approved human support person (see policy).