

WORKPLACE SKILLS PLAN	Doc Nr	MG/POL/01/2018
MANDATORY GRANT POLICY	Version	001
	Issue Date	26 February 2018
	Next Review Date	March 2019/As and when necessary



Signatories

The signatories hereof, confirm their acceptance of the contents and recommend the adoption thereof.

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1. POLICY STATEMENT

The Skills Development Act No. 97 of 1998 read with the SETA Grant Regulations gazetted and published by the Minister of Higher Education and Training on the 15th November 2012 sets the broad and overarching framework for the administration, management and disbursements of different grants by SETA's.

Services SETA is mandated by the above legislation to administer and pay different grants to qualifying employers who have met the requirements set out therein.

This policy provides a uniform framework to deal with the issue in a manner that is consistent with the constitutional principles of transparency, fairness and equity.

It is consistent with both the provisions of the Skills Development Act and the SETA regulations.

2. PHILOSOPHY

Mandatory grants forms a key part of Services Seta's discharge of its statutory mandate and are key to the achievement of the goals set out in the Skills Development Act and the National Skills Development Strategy III as well as other relevant governmental strategies including the National Development Plan.

It also give effect to the SETA Grant Regulations read with Section 3(1) of the Skills Development Levies Act No of 1998 which define a mandatory grant as a payment made to all levy paying organizations upon submission of the WSP and the ATR.

With Effect from 2013, this amount will be limited to 20% as per SDA Grant Regulation R990.

3. PURPOSE OF THE POLICY

3.1 The purpose of this policy is to set out the policy framework within which mandatory grants are administered and paid by the organisation.

3.2 It is also intended to guide all stakeholders who wish to apply for mandatory grants in the application process.

3.3 The said framework include-

3.3.1 the criteria for application and approval of mandatory grants;

3.3.2 the dates and deadlines for the submission of applications; and;

3.3.3 the timelines or time frames for the payment of such mandatory grants.

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3.4 It further deals with general compliance and application matters relating to the matter.

4. POLICY OBJECTIVES

The objective of this policy is to set out the criteria and requirements that needs to be met by levy paying employers to enable SSETA to disburse mandatory grants and to ensure that these grants are used in accordance with legislation to achieve the objectives set out in the regulations.

5. QUALIFYING CRITERIA

An application for a mandatory grant in terms of sub-regulation (1) of the SDA must be submitted by the 30th April of each year. A levy paying employer claiming a mandatory grant must meet the eligible criteria for the payment of a mandatory grant prescribed in sub-regulation (2) of the SDA.

The SSETA will pay a mandatory grant only to a levy-paying employer who:

- I. Has registered with the Commissioner in terms of section 3(1) of the Skills Development Levies Act;
- II. Has paid all levies due directly to the Commissioner in the manner and within the period determined in section 6 of the SDLA;
- III. Is up to date with the levy payments to the Commissioner at the time of approval and in respect of the period for which an application is made;
- IV. Has submitted a properly authorised mandatory grant application by the submission date and in the form required by the Grant Regulations and this policy;
- V. Satisfies the evaluation criteria established by the SSETA as described in clause 6 of this policy;
- VI. In the case of an employer having a recognition agreement with a registered trade union or unions in place, the employer must provide evidence that the WSP and ATR have subject to consultation with such recognised trade union(s) which must be signed off by the labour representative unless an explanation is provided. Alternatively, in the case where no recognition agreement with a trade union is in place, the entity needs to provide proof of the existence of a training committee and that the WSP and ATR has been signed off by an employee within the training committee.
- VII. Where an employer is an SMME (less than 50 employees) no labour representative signature is required, as per sub-regulation R990 [4(1) but such employer should complete and submit a prescribed declaration form.

On or before the submission deadline, employers need to submit the following documentation onto the LMIS:

- Declaration and Verification Document;

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- Proof of banking details;
- Proof of expenditure in the form of invoices/ attendance registers/ certificates;
- Completion of Addendum C.

Failure to meet any of the eligibility criteria described in this policy may result in the rejection of the mandatory grant application.

6. EXTENSION OF DEADLINE FOR SUBMISSION

The SSETA Accounting Authority may grant an extension up to a maximum of one month from the date of final submission for late submission of an application for a mandatory grant subject to a written request by a levy paying employer on or before the submission deadline of the 30th April.

Only mandatory grant applicants that have been granted an extension will have access to the LMIS system to complete their mandatory grant application post 30th April.

7. EMPLOYERS BELOW THRESHOLD

Employers whose personnel costs are below the prescribed threshold of R500 000.00 per annum are encouraged to submit their WSPs and ATRs for the purposes of research and recording of their details on the SSETA database.

8. CONFIDENTIALITY OF THE BIO DATA

All personal information submitted by the employers to SSETA pursuant to the application is subject to the provisions of the Protection of Personal Information Act ("POPI") and to that extent assurance is given that the information so received will be treated with confidentiality and shall be used for the purposes of skills planning within the Services sector to improve credible skills planning.

9. DEFINITIONS

The terminology in this policy document assumes the following meaning and interpretation:

No	Term	Description
a	Accounting Authority	The Board of SSETA contemplated in section 11 of the Skills Development Act
b	ATR	Annual Training Report

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No	Term	Description
c	Commissioner	The Commissioner for SARS appointed in terms of section 6 of the South African Revenue Service Act, 34 of 1997
d	Discretionary Grant	The monies allocated within the SSETA to be spent on discretionary grant projects as contemplated by the Grant Regulations
e	Grant Regulations	The Sector Education and Training Authorities (SETA) Grant Regulations published under Government Notice R990 in Government Gazette 35940 of 3 December 2012, as amended
f.	Levy-Paying Employer	An employer who is compelled to pay skills development levies in terms of section 3(1) of the Skills Development Levies Act
g	Mandatory Grant	Funds designated as mandatory grants as contemplated in regulation 4 of the Grant Regulations
h	LMIS	Means Learner Management Information System Skills Development Management System
i.	NSDS	National Skills Development Strategy III
j.	SDA	Skills Development Act, 1998
k	SDF	Means Skills Development Facilitator as described at paragraph 7.1 of this policy
l.	SDLA	Skills Development Levies Act, 1999
m	SME	Means a Small Micro Enterprise employer employing less than 50 employees
n	SSETA	Service Sector Education and Training Authority
o	SSP	Means the Sector Skills Plan of SSETA as contemplated in sections 10(1) (a) and (b) of the Skills Development Act
p	This Policy	Means this Mandatory Grants Policy
q	WSP	WSP – Workplace Skills Plan

10. LEGISLATIVE FRAMEWORK

The Mandatory Grant Policy is developed in line with the following:

- 6.1 SDA Grant Regulation R990;
- 6.2 Public Finance Management Act, 1 of 1999 (as amended by Act 29 of 1999);
- 6.3 Skills Development Act, 1998: Learnership Regulations 2007;

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6.4 Skills Development Levies Act, 1999

6.5 The National Qualification Framework Act 67 of 2008

11. SCOPE & APPLICABILITY

The policy is applicable to all levy and non-levy paying employers who submit applications for the payment of mandatory grants as provided for in the regulations.

12. POLICY REVIEW

This policy shall be reviewed annually or as and when necessary.

13. REFERENCES

SDA Grant Regulation R990;

- a) Department of Higher Education and Training: Guidelines on the Implementation of SETA Grant Regulations 2013;
- b) Public Finance Management Act, 1 of 1999 (as amended by Act 29 of 1999);
- c) Skills Development Act, 1998: Learnership Regulations 2007;
- d) Skills Development Levies Act, 1999
- e) The National Qualification Framework Act 67 of 2008.

14. ANNEXURES

14.1 Annexure Services SETA Policy Guidelines.