

CORE BUSINESS	Doc Nr	MG/POL/01/22
MANDATORY GRANT POLICY	Version	002
	Issue Date	30 March 2022
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The signatories hereof, confirm acceptance of the contents, recommendation and adoption hereof			
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1. DEFINITIONS AND ACCRONYMS

This Policy applies the following meanings and interpretations:

#	Term	Description
1.1	Accounting Authority	The Board of the Services SETA contemplated in Section 11 of the Skills Development Act
1.2	Annual Training Report (ATR)	Annual Training Report refers to skills development implemented by the employer from 01 April to 31 March of the previous scheme year
1.3	Commissioner	The Commissioner for SARS appointed in terms of Section 6 of the South African Revenue Service Act 34 of 1997
1.4	Discretionary Grant	Funds allocated within the Services SETA to be spent on Discretionary Grant projects as contemplated by the Grant Regulation
1.5	Grant Regulation	Sector Education and Training Authorities (SETA) Grant Regulations published under Government Notice R990 in Government Gazette 35940 on 3 December 2012, as amended
1.6	Levy Paying Employer (LPE)	An employer that is compelled to pay Skills Development Levies in terms of section 3(1) of the Skills Development Levies Act
1.7	Learner Management Information System (LMIS)	Means the Services SETA Learner Management Information System that has as one of its modules Mandatory Grants for submission and processing of Workplace Skills Plans, Annual Training Reports and all requisite documentation
1.8	Mandatory Grant	Funds designated for mandatory grants as contemplated in regulation 4 of the Grant Regulation
1.9	NDP	National Development Plan 2030
1.10	NSDP	National Skills Development Plan 2030
1.11	Non-Levy Paying Employer (NLPE)	An employer that is exempt from contributing a Skills Development Levy in terms of section 4(b) of the Skills Development Levies Act
1.12	PAIA	Promotion of Access to Information Act 2 of 2000
1.13	POPIA	Protection of Personal Information Act 4 of 2013
1.14	Skills Development Act	Skills Development Act 97 of 1998
1.15	Skills Development Levies Act	Skills Development Levies Act 9 of 1999
1.16	Services SETA	Services Sector Education and Training Authority
1.17	Sector Skills Plan (SSP)	Means the Sector Skills Plan of the Services SETA as contemplated in sections 10(1) (a) and (b) of the Skills Development Act 97 of 1998
1.18	Skills Development Facilitator (SDF)	Designated employer representative/s that conduct skills audits, develop Workplace Skills Plans, and monitor and report on implementation, in consultation with workplace skills development committees
1.19	Workplace Skills Plan (WSP)	Workplace Skills Plan refers to skills development planned by the employer from 01 April to 31 March of the forthcoming scheme year, informed by a skills audit

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2. 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, Science and Innovation on 15 November 2012 sets the broad and overarching framework for the administration, management and disbursements of different grants by SETA's.

The Services SETA is mandated by the above legislation to administer and reimburse Mandatory Grants applications to qualifying employers (within the Services SETA sector) that have met the requirements set out herein.

This Policy provides a standardised framework 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.

Mandatory grants form a key part of the Services SETA's mandate to achieve the goals set out in the Skills Development Act, the National Skills Development Plan 2030, and the National Development Plan 2030.

This Policy gives effect to the SETA Grant Regulations Gazette 35940 read with Section 3(1) of the Skills Development Levies Act 9 of 1998 which defines a mandatory grant reimbursement as a payment made to all Levy Paying Employers upon submission of a compliant Workplace Skills Plan and Annual Training Report.

The refundable percentage is 20% of skills development levies contributed by the Levy Paying Employer within the scheme year guided by the Department of Higher Education and Training Circular no. 01/2020 to SETAs.

3. PURPOSE

The purpose of this Policy is to set out the criteria and requirements that need to be met by Levy Paying Employers to enable the Services SETA to administer and reimburse compliant mandatory grants claims for reported and planned investment in workplace-based skills development.

Furthermore, reference is made to Non-Levy Paying Employers submitting a Workplace Skills Plan and Annual Training Report.

4. POLICY OBJECTIVES

- 4.1 To incentivise employers to invest in workplace-based skills development.
- 4.2 To generate data on the demand and supply of skills development to inform and forecast trends.
- 4.3 To derive stakeholder value through reimbursement and/or the B-BBEE scorecard.

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- 4.4 To manage stakeholder expectations in terms of the claim process, requirements and turnaround times.
- 4.5 To provide a standardised guideline for implementation.

5. POLICY PROVISIONS

5.1 SUBMISSION DEADLINE DATE

The deadline for the submission of Mandatory Grant applications is regulated by the SETA Grant Regulations Gazette 35940. The prescribed deadline date is 30 April each year.

5.2 APPLICATION FOR EXTENSION OF SUBMISSION

Mandatory Grants extension request applications should be approved by the Services SETA Accounting Authority or as per the approved Delegation of Authority. An extension may only be granted for one month that is until 31 May.

A Mandatory Grant application extension request should be submitted in writing by the employer via the LMIS on or before the submission deadline of 30 April.

The dedicated platform for the submission of a Mandatory Grant extension application is the Services SETA's Learner Management Information System (LMIS). If an employer is unable to submit via the LMIS, as a last resort the employer may submit electronically via this dedicated email address wspdocs@serviceseta.org.za or manually at the Services SETA Office at 15 Sherborne Road, Parktown, Johannesburg, addressed to the Manager: Mandatory Grants. All extension applications should be received on/before the statutory deadline date. Submission of a Mandatory Grant application to the Services SETA outside of the above mechanism will not be considered compliant.

Only companies that have an approved extension request shall have access to the LMIS system to complete their mandatory grant application online by 31 May.

5.3 SUBMISSION REQUIREMENTS

The Services SETA should allocate a Mandatory Grant to a Levy Paying Employer that has submitted a compliant Workplace Skills Plan and Annual Training Report in the format prescribed in Annexure 2A of the Grant Regulation. Employers submitting a Mandatory Grant application for the first time, may submit a Workplace Skills Plan only, but a Mandatory Grant reimbursement will not be applicable. From the second year of submission, employers will be required to submit both the Workplace Skills Plan and Annual Training Report, only then will the submission be eligible for reimbursement.

Non-Levy Paying Employers below the payroll threshold of R500 000.00 per annum are encouraged to submit Workplace Skills Plans and Annual Training Reports for the research purposes and forecasting skills demand. However, Non-Levy Paying Employers will not be eligible to receive a Mandatory Grant.

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An employer should submit a separate Mandatory Grant application per SDL number. Group employer submission will not be accepted.

Minimum requirements for compliant submissions:

5.3.1 Workplace Skills Plan and Annual Training Report using the template prescribed in the SETA Grant Regulations Gazette 35940 Annexure 2A.

5.3.2 A signed Declaration and Verification Form

5.3.3 Employers with 50 or more employees require signatures of the CEO, CFO, Skills Development Facilitator, Union Representative (if recognised) and Workplace Skills Development Committee Chairperson. In the case of an employer having a recognition agreement with a registered trade union/s, the employer should provide evidence that the Workplace Skills Plan and Annual Training Report have been subject to consultation with the recognised trade union(s) and the Workplace Skills Plan and Annual Training Report should be signed by the labour representative appointed by the recognised trade union on the Declaration and Verification Form, unless an explanation is provided.

Alternatively, in the case where no recognition agreement with a trade union is in place, the employer needs to provide proof of the existence of a workplace skills development committee and that the Workplace Skills Plan and Annual Training Report has been signed off by Chairperson of the Committee on the Declaration and Verification Form.

Employers with less than 50 employees only require signatures of CEO and Skills Development Facilitator. No labour/employee representative sign off is required, but such employer should complete and submit a prescribed declaration form.

5.3.4 A POPIA Declaration signed by the CEO, or delegated representative authorised by the CEO in accordance with the employer's policy.

5.3.5 Proof of employer's banking details no less than three months old from date of submission.

5.3.6 Proof of skills development to support the Annual Training Report including invoices/attendance registers/certificates.

5.3.7 A data summary from the Annual Training Report, Addendum C in the Grant Regulation. This is automatically generated for applications submitted via the LMIS.

The dedicated platform for the submission of a Mandatory Grant application is the Services SETA's Learner Management Information System (LMIS). If an employer is unable to submit via the LMIS, as a last resort the employer may submit electronically via this dedicated email address

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wspdocs@serviceseta.org.za or manually at the Services SETA Office at 15 Sherborne Road, Parktown, Johannesburg, addressed to the Manager: Mandatory Grants. All applications should be received on/before the statutory deadline date. Submission of a Mandatory Grant application to the Services SETA outside of the above mechanism will not be considered compliant.

5.4 QUALITY ASSURANCE AND REMEDIATION

Mandatory Grant applications will be subjected to a quality assurance process and will only be recommended for reimbursement if compliant and approved.

Approval of the application is dependent on the authenticity of the documentation submitted by the employer. Reimbursement of funds is subject to the employer being up to date on payment of its skill levy for the applicable scheme year and meeting the requirements set out in sub-section 5.5 below.

Automated communication will be issued via the LMIS to the Skills Development Facilitator indicating the status of the application. Quality assurance commences post the extension submission deadline and the Services SETA undertakes to conclude such within four months that is by 30 September of each year.

Employers will be granted 21 working days to remediate gaps in their submissions if formally requested by the Services SETA. Failure to meet the minimum requirements and/or remediate gaps may result in the application not being approved for reimbursement.

5.5 REIMBURSEMENT OF APPROVED APPLICATION

A Levy Paying Employer claiming a mandatory grant should meet the eligible criteria and or minimum requirements for reimbursement prescribed in the Skills Development Act and set out as follows:

- 5.5.1 Registered with the SARS Commissioner in terms of Section 3(1) of the Skills Development Levies Act.
- 5.5.2 Paid all levies due directly to the Commissioner in the manner and within the period determined in section 6 of the Skills Development Levies Act.
- 5.5.3 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.
- 5.5.4 Submitted a properly authorised mandatory grant application by the submission date and in the form required by the Grant Regulations and this Policy.
- 5.5.5 Satisfied the submission requirement established by the Services SETA as described in clause 5.4 of this Policy.

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6. UNCLAIMED MANDATORY GRANTS

In terms of the SETA Grant Regulation Section 3(3) a SETA should transfer unclaimed mandatory funds and any interest earned thereon by 15 August of each financial year into its Discretionary Grant funds.

7. PROTECTION OF PERSONAL INFORMATION

All personal information submitted by stakeholders to the Services SETA pursuant to an application, submission or processing function, is subject to the provisions of the Protection of Personal Information Act (POPIA). To that extent, all parties concerned should promote and comply with confidentiality requirements of data subjects' personal information.

8. STAKEHOLDER COMPLAINTS

Stakeholders should report service delivery failures/shortcomings in writing to customercare@serviceseta.org.za providing adequate referencing and supporting evidence to enable tracing, intervention and resolution within a reasonable timeframe.

9. LEGISLATIVE FRAMEWORK

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

- 9.1 Broad-Based Black Economic Empowerment Act 53 of 2003 as amended by Act 46 of 2013.
- 9.2 Promotion of Access to Information Act 2 of 2000.
- 9.3 Protection of Personal Information Act 4 of 2013.
- 9.4 Public Finance Management Act 1 of 1999 as amended by Act 29 of 1999.
- 9.5 Skills Development Act 97 of 1998.
 - 9.5.1 Government Gazette 35940; 3 December 2012.
 - 9.5.2 Government Gazette 42037; 16 November 2018.
 - 9.5.3 Government Gazette 42290; 7 March 2019 (Skills Development Act, 1998 ACT No. 97 of 1998): Promulgation of the National Skills Development Plan (NSDP)
- 9.6 Skills Development Levies Act 9 of 1999.
- 9.7 The National Qualification Framework Act 67 of 2008.
- 9.8 The Sector Education and Training Authorities (SETA's) Grant Regulations Regarding Monies Received by a Seta and Related Matters, 2012

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10. SCOPE AND APPLICABILITY

This Policy is applicable to all employers registered with a Standard Industrial Classification (SIC) code demarcated to fall within the scope of the Services SETA. In addition, all Services SETA officials providing related services to Services SETA stakeholders.

11. POLICY REVIEW

This policy shall be reviewed every two years or earlier if necessitated by regulatory changes.

12. REFERENCES

- 12.1 Guidelines on the Implementation of SETA Grant Regulations; Department of Higher Education and Education 2013.
- 12.2 Guidelines on the Implementation of the Sector Education and Training Authority (SETA's) Grant Regulations.
- 12.3 Government Gazette no. 35940 3 December 2012.
- 12.4 Government Gazette no. 42037 16 November 2012.
- 12.5 National Qualification Framework Act 67 of 2008.
- 12.6 Public Finance Management Act 1 of 1999 as amended by Act 29 of 1999.
- 12.7 Skills Development Act 97 of 1998.
- 12.8 Skills Development Levies Act 9 of 1999.