



Policy Document

DISCRETIONARY GRANT POLICY

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Table of Contents

| | | |
|-----|---|----|
| 1 | Abbreviations | 4 |
| 2 | Background of policy | 5 |
| 3 | Policy environment | 5 |
| 4 | Policy..... | 5 |
| 5 | Implementation overview | 6 |
| 6. | Allocation of Discretionary grants..... | 10 |
| 7. | Unsolicited proposals..... | 10 |
| 8. | Delivery Models | 10 |
| 9. | Project administration | 11 |
| 10. | Discretionary Grant Approvals | 11 |
| 11. | Project Savings..... | 12 |
| 12. | Value for money | 12 |
| 13. | Monitoring and Evaluation | 12 |
| 14. | Impact Assessment | 13 |
| 15. | Limitations and conditions..... | 13 |
| 16. | Roles and responsibilities | 13 |
| 17. | Concluding comments | 14 |
| 18. | Regulatory Framework | 14 |

1 Abbreviations

| Abbreviation | Description |
|--------------------|---|
| WSP | Workplace Skills Plan |
| ATR | Annual Training Report |
| GM | General Manager |
| DHET | Department of Higher Education and Training |
| PIVOTAL | In relation to the BANKSETA Discretionary Grant Project the following delivery methodologies are included: Professional Programmes (including Candidacy Programmes), Internships, Vocational Programmes, Occupational Programmes, Technical Programmes, Academic Programmes and learnerships. In addition, Recognition of Prior Learning against any of the aforementioned programmes |
| CEO | Chief Executive Officer |
| IT | Information Technology |
| TVET | Technical / Vocational Education and Training College |
| NGO | Non-Governmental Organisation |
| SME | Small / Micro Enterprise |
| PFMA | Public Finance Management Act, 1999 |
| <u>CET College</u> | <u>Community Education and Training College</u> |

2 Background of policy

2.1 Introduction

The Skills Development Act, No 97 of 1998 as amended and the Skills Development Levies Act, of 1999, as amended provide for the 3. collection of levies from employers in the banking sector. A portion of these funds is earmarked for use by the BANKSETA for the purpose of disbursing discretionary grants. Discretionary Grants support the implementation of the sector skills plan and various types of training that combines formal institutional and workplace based training. It also funds the delivery of ~~sector-specific~~ skills interventions including worker education that help achieve the goals of National Plans and Strategies ~~as it pertains to skills development~~, the National Skills Development Plan and ~~to address employer demand in the sector other interventions~~ in line with the BANKSETA Sector Skills Plan, Strategic Plan and Annual Performance Plan which is formulated and approved by the BANKSETA Board.

2.2 Purpose

The purpose of the Discretionary Grant Policy is to provide a framework for discretionary grants and to reflect specific BANKSETA requirements with respect to the allocation of discretionary funds, criteria for funding and how the funds should be applied for.

3 Policy environment

3.1 The Banking Sector Education and Training Authority (BANKSETA) is a statutory body established through the Skills Development Act of 1998 as amended by the Skills Development Act, 26 of 2011 to enable its stakeholders to advance the national and global position of the banking and alternative banking sector. In terms of the Skills Development Act, No 97 of 1998 as amended by the Skills Development Act, within the National Skills Plan (NSDP) framework; BANKSETA is mandated to develop skills in the banking and alternative banking sector.

3.2 The BANKSETA's operational duties are performed from the Head Office as well as from the regional offices.

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4 Policy

4.1 Aim

4.1.1 The aim of the policy is to provide guidance to execution of the discretionary grant processes and to reflect specific BANKSETA requirements with respect to the allocation of discretionary funds, criteria for funding and how funds should be applied for.

5 Implementation overview

Discretionary Grant funded projects may be once off projects; these are projects confined to one financial year and not repeatable or it may be rolling projects from one financial year to the other; these are projects that are multiyear in nature and/or repeatable in the following financial year(s);

There are two types of Discretionary Grant funded projects that the BANKSETA shall make available from time to time namely; funding windows and strategic projects.

5.1 Funding windows

The objective of a funding window is to allow stakeholders the flexibility to implement programmes in a way that is appropriate to their organisation. It also allows flexibility in content, duration, implementation dates and training provision platforms. Each funding window will have its own funding cost structure, additional qualifying criteria, timelines for disbursement of grants and criteria for supporting documents required to make payment. This will be approved by the BANKSETA Board before publishing it to stakeholders.

A funding window is an invitation to stakeholders to apply for funding from the SETA for the programmes that the funding window is intended for.

The programmes may include but is not limited to learnerships, internships, and bursaries, etc. or may be aimed at a particular stakeholder grouping for example Medium to Large Organisations, Small or Micro Enterprises, Co-operatives, Universities, etc.

The window period would open on a specified date and have a closing date.

5.1.2 Funding Window Invitation Process

5.1.2.1 BANKSETA shall publish all funding window invitations on the BANKSETA website www.bankseta.org.za

5.1.2.2 Each funding window shall remain open for at least 6 weeks with the exception of the Reskilling Funding Window which remains open throughout the year.

5.1.2.3 Each funding window shall have a set of guidelines aimed at assisting applicants with the application process.

5.1.2.4 No late applications shall be accepted.

5.1.3 Eligibility Criteria

Applicants must meet the eligibility criteria as indicated ~~below in each funding window~~ to qualify for funding. ~~In the case of employers:~~

~~The completion and submission of all required documents on time~~

~~The applicant must be registered or in the process of registering with the BANKSETA for skills development levy purposes;~~

~~The Workplace Skills Plan (WSP) reporting must be submitted by the due date of 30 April each year or a date advised by the DHET; and~~
~~The employer must be up to date with levy contributions unless exempt from paying levies~~
~~Applications may be limited to small employers (less than 50 employees) where it is applicable to that particular funding window. Only microfinance organisations that are registered with the National Credit Regulator are eligible to apply.~~
~~Applications may be limited to specific programmes i.e. PIVOTAL, IT or Re-skilling.~~
~~In all instances the training provider must be accredited as a training provider by the relevant Quality Council and where applicable proof of accreditation must clearly show the registration number of the programme applied for.~~
~~In the case of Higher Education Training Institutions:~~
~~The completion and submission of all required documents on time~~
~~Only public TVET Colleges, Universities of Technology and Universities will be eligible to apply.~~
~~Business Schools linked to Public Universities may also apply.~~
~~In the case of Community Organisations:~~
~~Only Non-Governmental Organisations or Non-profit organisations registered with the Department of Social Development may apply.~~
~~In all instances, the proposed intervention must address business needs, scarce skills and PIVOTAL Occupations Scarcity as identified in the Banking Sector Skills Plan and/or support the outcomes of the National Skills Development Plan.~~

5.1.4 Evaluation Criteria

- ~~The evaluation panel shall apply predetermined evaluation criteria to score applications. This will be indicated in the Guidelines for each Funding Window.~~

~~5.1.5 The criteria shall include but may not be limited to a motivation for the project or the business case, an implementation plan or methodology, ability to meet equity of 85% Black, 64% Female and 4% people with disabilities unless the applicant motivates why this is not possible.~~

~~The applicant's track record in BANKSETA funded programmes shall be considered and applications from applicants where training from previous funding windows have not been completed will be scored lower than applicants who completed projects successfully.~~

~~The proposed exit strategy for successful learners shall also be evaluated and scored.~~

~~Each applicable criteria shall be allocated a weighting and any application scoring below a predetermined score will not be approved.~~

Submission Requirements

5.1.5.1 Applications and other related documents are to be submitted on BANKSETA templates, and as per the prescribed submission process. Failure to do so will result in disqualification of the applications.

5.1.5.2 Applications must be received in the specified timeframes; no late submissions will be accepted.

5.1.5.3 Applicants agree to provide information as required by BANKSETA for the purposes of reporting to the Department of Higher Education and Training, as well as other statutory stakeholders.

5.1.5.4 Each funding category will have its own performance information requirements

5.1.6 Submission Process

5.1.6.1 Early submissions are encouraged. No late applications will be accepted.

5.1.6.2 Applicants are required to submit separate applications per category where applicable.

5.1.6.3 Applications should be submitted electronically as indicated in the guidelines for that funding window.

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5.1.6.4 Applicants are not limited on the number of applications per category. However, applicants are requested to carefully consider business needs and prioritize applications as funding may be limited and applications may be declined taking into account the funding available and the number of applications received.

5.1.6.5 Each application will be evaluated individually.

5.1.6.6 Applicants must keep a copy for their internal use and backup purposes.

5.1.7 Evaluation and Allocation Process

5.1.7.1 In all cases an evaluation panel shall be established and approved by the CEO to evaluate applications. ~~The evaluation panel will consist of at least the relevant Department Manager, the relevant Project Manager and one other person from the Quality Assurance Division.~~

~~5.1.7.2~~

~~5.1.7.3 In cases where there is more than one department concerned the panel will be expanded accordingly.~~

~~5.1.7.4~~ 5.1.7.2 All panel members will be required to sign a declaration of interest.

~~5.1.7.5~~ 5.1.7.3 The evaluation panel decision will be recorded for audit purposes.

~~5.1.7.6~~ 5.1.7.4 All grants are VAT inclusive and this funding is specifically for training costs, travel/ accommodation costs and /or learner allowances (for unemployed learners). Funding does not include set up costs including capitalization of projects.

~~5.1.7.7~~ 5.1.7.5 BANKSETA will evaluate all applications and approve funding in a way that will ensure the equitable allocation of funding by limiting the number of learners approved for each application and limiting the amount per learner where necessary.

~~5.1.7.8~~ 5.1.7.6 In the allocation of funding to qualifying applicants, equity targets, national spread and focus on rural areas may be promoted/encouraged.

~~5.1.7.9~~ 5.1.7.7 BANKSETA reserves the right to approve / decline applications, without any preference given to any applicant, and to apply discretion to equitably distribute funding per category, based on the availability of funds and to reallocate funds from undersubscribed categories.

~~5.1.7.10~~ 5.1.7.8 BANKSETA may approve additional applications or increase the funding for a particular application should additional funding become available at a later stage, subject to Board approval.

~~5.1.7.11~~ 5.1.7.9 Feedback on the status of the application must be provided to unsuccessful applicants.

5.1.8 Funding Window Approval, Appeal and Change Process

5.1.8.1 The evaluation documentation should be submitted for Probity Review and this report submitted to the CEO for review.

5.1.8.2 Once the CEO has reviewed and approved, the report and supporting evidence as required will be submitted to the Finance and Remuneration Committee for recommendation to the BANKSETA Board. Final approval will be done by the BANKSETA Board.

5.1.8.3 In terms of the Delegations of Authority Policy the CEO may approve funding applications as delegated by the Board. Should an (unsuccessful) applicant believe that i) the decision in relation to an application is incorrect or ii) there is mitigating circumstances for an application not having met the requirements, the applicant may submit a request to appeal the decision of the Board.

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5.1.8.4 Should an (unsuccessful) applicant believe that i) the decision in relation to an application is incorrect or ii) there is mitigating circumstances for an application not having met the requirements, the applicant may submit a request to appeal the decision of the Board.

5.1.8.5 This request must be submitted in writing

5.1.8.6 The request must motivate why the application meets the requirements of the Funding Window Guidelines and why the decision of the Evaluation Panel is incorrect.

5.1.8.7 The request must provide supporting documentation to substantiate the reason for the appeal.

5.1.8.8 After CEO review, the appeal request will be tabled at the Board to reconsider.

5.1.8.9 After their reconsideration the Board's decision is final.

Change requests will be managed in line with the BANKSETA Project Change Control Policy.

5.1.9 Contracting

5.1.9.1 Agreements shall include approved partnerships with employers, public training institutions, professional bodies, NGOs and other enterprises that allow BANKSETA to derive value for its projects.

5.1.9.2 When funds for these type of strategic projects are approved by the Accounting Authority, partnerships and funding arrangements with public institutions, professional bodies, NGOs and other enterprises as well as with qualifying member organisations are formalised through Memoranda of Understanding or Memoranda of Agreement.

5.1.9.3 The Memoranda is signed by the CEO in accordance with the BANKSETA Delegations of Authority Policy. This includes extensions and amendments (non-financial). A record of all signed agreements and payments related to it is recorded on the Commitment Schedule and submitted to the Finance and Remuneration Committee and BANKSETA Board on a quarterly basis as part of the BANKSETA Financial Management Accounts.

5.2 Strategic Projects

5.2.1 The BANKSETA shall, ~~in consultation with its stakeholders and Board~~ identify specific interventions that will have benefit for the sector and which will support the National Skills Development Plan and or the BANKSETA's strategic priorities.

5.2.2 These interventions will be addressed through projects that are managed by BANKSETA and funded by discretionary funds. Where necessary, projects will be outsourced to specialist providers and due procurement process will be followed as per the BANKSETA Supply Chain Management Policy.

5.2.3 These projects may also be implemented through partnership agreements. Partnership agreements are aimed at organisations or other public entities with a strategic synergy with the BANKSETA. In all instances partnership agreements must be approved by the BANKSETA Board.

5.2.4 Participation in all projects is available to all BANKSETA Stakeholders subject to a learner selection process.

6. Allocation of Discretionary grants

6.1 49.50% of the received levy income shall be allocated to discretionary grants each month including any approved surplus funds.

6.2 The discretionary amount as at 1 April of each year together with the amounts received each month of that financial year will be allocated/committed to discretionary projects subject to board approval.

6.3 80% of the available discretionary grants within a financial year will be allocated to PIVOTAL programmes that address scarce and critical skills ~~in the banking and microfinance sector.~~

6.4 The allocation of funds will seek to achieve partnerships with public education and training institutions, where applicable while addressing ~~the sector's~~ skills development needs and priorities including the delivery of PIVOTAL programmes.

6.5 The SETA must transfer any unclaimed mandatory funds and any interest earned thereon by 31 March of each financial year into the discretionary funds.

6.6 The SETA must transfer any unspent administrative funds and any interest earned thereon by 31 March of each year to the discretionary reserve fund.

7. Unsolicited proposals

BANKSETA stakeholders including private enterprises may submit unsolicited proposals and such proposals will be dealt with in line with Treasury regulations and guidelines and BANKSETA Supply Chain Policy and the details contained therein.

8. Delivery Models

Discretionary funded projects ~~will mainly~~ focus on skills development and are delivered through bridging programmes, learnerships, internships, work readiness programmes, bursaries, work experience grants, occupational training, academic training, facilitated learning and coaching, worker education, centres of excellence, career advise service and capacity building of public ~~institutions~~ institutions including CET Colleges, NGOs, SMEs and Cooperative Financial Institutions.

Projects may also include research and benchmarking not funded through the BANKSETA Administration budget for example funding relevant Research Chairs at Public Universities and funding of Doctoral and Post-Doctoral Students. Such research will then be in the public domain and accessible to all BANKSETA Stakeholders.

9. Project administration

The BANKSETA applies the following principles to projects managed, directly or indirectly, by BANKSETA Staff:

- 9.1 Each project responds to a need expressed by the Stakeholders or BANKSETA Board and falls outside of the normal day to day operations of the BANKSETA.
- 9.2 The Project, if not funded by a Discretionary Grant, would not take place.
- 9.3 Project Administration costs will be limited to a maximum of 7.5% of the funding value of the project as regulated from time to time by legislation.
- 9.4 The costs associated with a project are unique to that project and may include some costs that relate to the administrative requirements of that project or to BANKSETA Staff (see 8.5).
- 9.5 Administration costs incurred by BANKSETA staff outside of normal operational costs may include, but are not limited to, travel, accommodation, subsistence, visas and insurance. These costs are incurred only to enable the objectives of the project, which would otherwise not be able to proceed and are included in the limit of 7.5%.
- 9.6 Funding any costs associated with the day to day operational costs of the SETA such as salaries, office rentals, telephone costs etc. from the Discretionary Grant will not be permitted.
- 9.7 Project cost savings achieved after the establishment of the project will not affect the committed administration costs, which will remain at the level agreed at the commencement of the project.

10. Discretionary Grant Approvals

10.1 In accordance with the Delegations of Authority Policy the BANKSETA Board approval is required for the following unless otherwise indicated by the DoA Policy:

- 10.1.1 All Discretionary Grant funded projects
- 10.1.2 Transfer of funds between projects
- 10.1.3 The allocation of additional funds or savings to existing projects

10.2 The CEO may approve write back of savings from a milestone / project to the same project or to the Discretionary Grant pool of funds.

10.3 The approval of discretionary grants:

10.3.1 Are subject to the availability of funds

10.3.2 Should benefit the broader banking and alternative banking sector and its stakeholder groups
or address a national need

10.3.3 Must conform to BANKSETA governance criteria and the requirements of the PFMA

10.3.4 Must adhere to the requirements of the BANKSETA Supply Chain Management Policy or,

10.3.5 Must adhere to the Board approved Funding Window Guidelines

10.3.6 Should be transparent and open

10.4 ~~Funding does not include set up costs including capitalisation of projects.~~ Funding may include settlement of unemployed student debts at Public Universities after completion to enable them to receive their certificate and enter the job market. Funding may also be for learners who have already started their qualification before funding is approved.

11. Project Savings

No savings from the allocated discretionary grant funds will be used for other purposes by the recipient. Such savings are to be written back to the discretionary funds with CEO approval. Reallocation of such savings to another activity or project is subject to Board approval.

Reallocation of savings may include existing or new projects.

12. Value for money

BANKSETA will in all instances ensure that it obtains value for funds spent. No payments will be made without the necessary deliverables as specified in the contract or memorandum of agreement being received.

13. Monitoring and Evaluation

Monitoring and evaluation by BANKSETA is applicable to all the disbursed discretionary funds including their related projects. As such BANKSETA monitoring and evaluation will include but not be limited to:

13.1 Funding Spend and related procurement

13.2 Quality of delivery

13.3 Project management efficiencies

13.4 Risks

13.5 Confirmation of beneficiaries and feedback

14. Impact Assessment

BANKSETA will determine the impact of funding allocated in line with the Monitoring and Evaluation Framework for SETAS as published by the Department of Higher Education and Training and other parameters that may be set by the BANKSETA Board.

15. Limitations and conditions

15.1 The Discretionary Grant Policy applies to all BANKSETA employees without exception.

15.2 Non-adherence to the Discretionary Grant Policy shall be dealt with in line with the Disciplinary Code and Procedure.

16. Roles and responsibilities

16.1 Chief Executive Officer

16.1.1 Appoint the members of the Evaluation Panels

16.1.2 Review the funding window submissions after probity and submit to Board [unless delegated to approve in terms of the DoA Policy](#)

16.1.3 Review appeals and submit to Board

16.2 Chief Finance Officer

16.2.1 All activities as it relates to the SETA Grant Regulations and the BANKSETA Supply Chain Policy

16.3 GM: Operations

16.3.1 Co-ordinate the overall funding window process ensure that documents are prepared on time and to the required standard to be submitted for board approval.

16.3.2 Review policies and procedures and the process to ensure continuous improvement.

16.4 Departmental Managers

16.4.1 Ensure the Funding Window process as indicated in this policy is followed and documents are submitted on time

16.5 Funding Window Evaluation Panels

16.5.1 To fulfil their duty as instructed in the appointment letter from the CEO

16.6 All additional responsibilities as required by the Supply Chain Management Policy and the Delegations of Authority Policy

17. Concluding comments

This policy is a directive and is subject to change and verification. Employees of the BANKSETA must be made aware of this policy together with its associated procedures and processes. The policy shall be reviewed as and when required; or when a need to add / change arises on legislation or procedures.

18. Regulatory Framework

| Statute / Policy/ Regulation |
|---|
| Skills Development Act of 1998, as amended, as well as applicable Regulations |
| Skills Development Levies Act of 1999, as amended, as well as applicable Regulations |
| The SETA Grant Regulations (July 2013) |
| Guidelines on the Implementation of SETA Grant Regulations (DHET, 2013) |
| The BANKSETA Delegations of Authority (DoA) Policy |
| The BANKSETA Supply Chain Management (SCM) Policy |
| National Skills Development Plan |
| Aligning the banking sector to national and sectorial priorities report, November, 2017 Implementation overview |
| South African Qualifications Authority Act 1995 |
| Public Finance Management Act 1999 |