

STANDARD OPERATING PROCEDURE (SOP)

PROCEDURES FOR THE MANAGEMENT OF TRANSFER PAYMENTS (SUBSIDIES) TO HOSTELS

Process Name	PROCEDURES FOR THE MANAGEMENT OF TRANSFER PAYMENTS (SUBSIDIES) TO HOSTELS
Process Scope	This SOP applies to schools with hostels, district officials that renders support services to such schools and the relevant directorates at Head Office responsible for making transfer payments (subsidies) to hostels and who must monitor the effective utilization of hostel subsidies.
Process Objective	To ensure the application and approval process of applications for hostel subsidies is compliant and to monitor and report on the effective utilization of hostel subsidies at school level.
Applicable legislation/policy	<ul style="list-style-type: none"> • The Constitution of the Republic of South Africa, Act 108 of 1996, section 217; • South African Schools Act No. 84 of 1996 (SASA); • Western Cape Provincial School Education Act, No. 12 of 1997; • Public Finance Management Act (PFMA), 1999 (Act 1 of 1999); • National Norms and Standards for School Funding (NNSSF); • Regulations relating to the Management and control of Hostels at public schools; • Institutional Instructions; and • Standard Operating Procedures
Process Beneficiary	Responsibility Managers (RM)

Task no.	Task	Sub-Task	Responsibility
		<p>(b) Taking the social economic circumstances of learners into account, the following cases (duly motivated report by a social worker to be attached to the application) will also be considered, but does not imply that the application will necessarily be approved:</p> <ul style="list-style-type: none"> • Single parent as the breadwinner, where the learner is left unsupervised during the day or night due to the parent's work commitments; • Inadequate conditions at home that make effective study impossible; • Social problems at the parent's/guardian's residence which may have a negative impact on the learner's studies; • The learner has behavioural problems of such a nature that his/her residing in a hostel will be to his/her advantage; and • Any circumstances which, in the opinion of the HoD or delegated official, will make it advisable for the learner to attend school while boarding at a hostel. 	
Process Name	2. Application and approval process for hostel subsidies at School, District and Head Office level		
2.1	Application process for hostel subsidies (schools)	<p>(a) Principals of schools with hostels must ensure that they submit the following documents to the District Director prior to them applying for hostel subsidies:</p> <ul style="list-style-type: none"> • Audited financial statement (annually by 30 June) on the financial affairs of the school, which includes the hostel income and expenses, to the HoD; • Certificate of Sound Financial Management (Annexure A) annually at the beginning of the academic school year; and • Bi-annual report (WCED043) (Annexure B). 	Principals

Task no.	Task	Sub-Task	Responsibility
		<p>(b) The applications will be dealt with as follow:</p> <p>(i) Existing applicants: Duly completed application forms (WCED 076), as uploaded to CEMIS by the principal and recommended by the circuit manager on EduInfoSearch must be finalised by no later than 30 June. By 30 September all hostels will be informed in writing by DFA of the names of the learners whose application for a hostel subsidy were approved. The first payment of subsidies for those learners will be paid by 31 January.</p> <p>(ii) New applications: All new learner applications must be uploaded to CEMIS by the principal and recommended by the circuit manager on EduInfoSearch by no later than 31 January. Non-compliance of the above will lead to no subsidies paid to the school. By 28 February all hostels will be informed in writing by DFA of the names of the learners whose application for a hostel subsidy were approved. The first payment of subsidies for those learners will be paid by 15 March.</p> <p>(c) Hostels will be supplied with an allocation list by DFA, with the authorisation numbers, as well as the subsidy amount that has been awarded to each learner. A claim form (WCED 077) must be submitted quarterly in accordance with the allocation list on CEMIS.</p> <p>(d) Quarterly subsidy payments will only be processed if a quarterly attendance register of the learners being claimed for is submitted on CEMIS with the claim form and if the principal confirms, via the disclaimer on CEMIS, that the learners are residing at the hostel.</p>	<p>Principals / Circuit Managers</p> <p>DFA</p> <p>DFA</p>
2.2	Duties of the Principal	(a) The principal must review the application by comparing the following information to determine the reliability and integrity of information before recommending the application:	Principal

Task no.	Task	Sub-Task		Responsibility
		Information source	Output	Principal
		Google Maps	<ul style="list-style-type: none"> Determine the nearest school to the learner's home Determine the distance to the nearest school from the learner's home Determine the distance to the school enrolled 	
		CEMIS System	<ul style="list-style-type: none"> Determine whether no learner transport scheme is available Check the quarterly learner absenteeism report Verify learner details 	
		<p>(b) Where a learner is recommended for a hostel subsidy at a school that is not his/her nearest school, the principal must provide a detailed motivation to support his/her recommendation. The principal must timeously update CEMIS in instances where there is a movement of learners to ensure accurate learner numbers on the system.</p> <p>(c) The principal must load all completed applications and relevant documents onto CEMIS from where the circuit manager will attend to it.</p>		
2.3	Duties of the Circuit Manager (CM)	<p>(a) The CM must access the applications on EduInfoSearch and ensure that all the relevant documents are attached to the application prior to his/her recommendation.</p> <p>(b) Identified discrepancies in the subsidy application and instructions for corrective action should be formally communicated to the principal to ensure credible information is gathered before an application is approved.</p> <p>(c) The circuit manager must submit the completed applications to DFA via EduInfoSearch.</p>		CM

Task no.	Task	Sub-Task	Responsibility
2.4	Processing of applications for subsidies at Head Office (DFA)	<p>(a) DFA: Accounts will verify on EduInfoSearch whether the application pack is compliant.</p> <p>(b) Each application pack is processed for correctness and completeness of the application and supporting documentation.</p> <p>(c) All application packs with shortcomings that cannot be resolved at Head Office are sent back to the district office or school electronically with reasons as stated on the database.</p> <p>(d) All complete applications are processed by calculating the bursary payable per learner by applying the means.</p> <p>(e) Once all the applications for a specific school have been processed, the school must be informed in writing, as follow, of the status of all applications received. I. e. Approved with the bursary amount that the learner qualified for, Not approved with reason, or sent back with reason.</p> <p>(i) Current applicants – 30 September (ii) New applications – 28 February</p>	DFA

Task no.	Task	Sub-Task	Responsibility						
Process Name	3. Submission and processing of hostel subsidy claim forms at School, District and Head Office level								
3.1	Submission of Claim form (WCED 077)	<p>(a) Claim forms must be completed by the principal and circuit manager on CEMIS and EduInfoSearch in the same manner as indicated at paragraph 2 above. In the event of a new enrolment, the duly completed application form must accompany the claim form.</p> <p>(b) The principal must inform the SGB of the total claims submitted on CEMIS at a quorate meeting. The principal must also complete the disclaimer on CEMIS that the claims were presented to a quorate SGB meeting.</p> <p>(c) Claim forms must be accompanied by an attendance register of the learners being claimed for on CEMIS. The attendance register must contain the following information:</p> <table><tr><td>Name of Learner</td><td>Emis Number</td><td>Grade</td><td>Days in the quarter</td><td>Days present</td><td>Days absent</td></tr></table> <p>(d) In the event of a learner leaving a hostel, the portion of the subsidy to which the hostel is not entitled must be repaid to the WCED, in accordance with the attendance register above.</p>	Name of Learner	Emis Number	Grade	Days in the quarter	Days present	Days absent	Principals /CM
Name of Learner	Emis Number	Grade	Days in the quarter	Days present	Days absent				

Task no.	Task	Sub-Task	Responsibility
3.2	Processing of claims at Head Office	<ul style="list-style-type: none"> (a) DFA: Accounts receives all quarterly claim forms on EduInfoSearch and is responsible to record the details on a register. (b) Each application pack is processed for correctness and completeness of the application and supporting documents. (c) A summary of the financial soundness status of all schools must be extracted from EduInfoSearch to ensure that the school is financially sound before the payment is authorized. (d) The quarterly claim form and payment schedule of a school must only be authorized if the school is financially sound at the time. (e) DFA must inform the Deputy Director: Corporate Services and the principal of the school that is not financially sound and inform them that the payment will be withheld due to the school not being financially sound. (f) All complete claims are processed for payment on BAS. (g) DFA will inform the schools in writing of the payment that was made with a summary of the calculation within 3 working days after the payment was authorized. 	DFA

Task no.	Task	Sub-Task	Responsibility
Process Name	4. Monitoring and reporting process by School Finance and Records Officer (SFRO) and Compliance Unit (CU)		
4.1	Monitoring and support role of the SFRO	<p>(a) The principal of a school and the SFRO responsible must support the SGB in drafting the following reports in line with requirements and submit it to the department.</p> <ul style="list-style-type: none"> • Audited financial statement (annually by 30 June) on the financial affairs of the school, which includes the hostel income and expenses, to the HoD. • Certificate of Sound Financial Management (Annexure A) annually at the beginning of the academic school year. • Bi-annual report (WCED043) (Annexure B). <p>(b) The SFRO must visit hostels annually to monitor -</p> <p>(i) that the systems of internal control are in place and functioning. For this purpose, the SFRO will make use of the financial indicator tool at Annexure D; and</p> <p>(ii) that the hostel subsidies paid to the school are utilised for the provision of services to hostel boarders and the day-to-day running of the hostel in terms of Regulation 16(6) of the Hostel Regulations. This will entail checking whether the following items are sufficiently provided for at the hostel by verifying the procurement processes:</p> <ul style="list-style-type: none"> • Provision of food; • Cleaning material; • Day-to-day maintenance; • Equipment; and • Everyday expenses. 	<p>Principal / SGB/ SFRO</p> <p>SFRO</p>

Task no.	Task	Sub-Task	Responsibility
		<p>(c) After the visit to the hostel the SFRO will draft a report that highlights the challenges identified and remedial action plans to address the challenges and non-compliance.</p> <p>(d) The report will be discussed with the role players, i.e. the Principal, Hostel Committee, CM, Head Management & Governance (HMG) and the necessary corrective actions with due dates to be finalized. The report must also indicate if there is any further support/input needed from the Directorate IMG (DIMG) at Head Office.</p> <p>(e) A copy of the final signed report will be submitted to the DIMG for review and corrective action where necessary.</p>	SFRO
4.2	Monitoring and support role of the Compliance Unit (CU) at the district office	<p>(a) The CU at the district office will diarise and monitor the receipt of the reports at 4.1 (a) above.</p> <p>(b) They will then evaluate these reports for correctness, monitor compliance with the prescripts and provide feedback to the Principal, Hostel Committee, CM and HMG. Their report must provide the necessary corrective actions with due dates and indicate if there is any further support/input needed from the DIMG.</p> <p>(c) A copy of the final signed report will be submitted to the DIMG for review and corrective action where necessary.</p>	Compliance Unit

Task no.	Task	Sub-Task	Responsibility
4.3	Integration of Roles and Responsibilities of all stakeholders involved	(a) Every school and hostel should be operating sound financial management systems that meet the following objectives: (i) establishing proper financial management arrangements and accounting procedures; (ii) maintaining a reliable system of internal controls, including safeguards against fraud; (iii) ensuring that funds are used for the intended purpose; and (iv) ensuring that the requirements of accountability under public finance are fulfilled.	SGB/Principal
		(b) The SGBs, Principals and district staff must ensure that systems of internal control are in place to monitor the effective, efficient and transparent management of all school funds. The SASA, in terms of sections 16(1) and (3) as well as 16A, establishes, strongly, the mandates of the SGB and the principal as well as the principle of separation of powers as a means of checking and balancing the roles of the SGB and Principal by ensuring role classification and accountability.	SGB/Principal/District staff concerned
		(c) The following procedures must be followed by the different units wrt the dissemination of the reports/ letters: (i) All final reports/letters processed by the SFRO that are sent to schools must be copied to the relevant CM, HMG and CU unit for record purposes and following up of any actions that may be applicable to such entity.	SFRO
		(ii) All final reports/letters processed by the CU that are sent to schools must be copied to the relevant CM and HMG for record purposes and following up of any actions that may be applicable to such entity.	CU

Task no.	Task	Sub-Task	Responsibility
		(d) Copies of all final reports must be sent to DIMG for review and corrective action where necessary.	

Approved / Not approved.

B WALTERS
HEAD: EDUCATION
DATE: