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Enquiries: See Paragraph 11

Circular: 0042/2016

Expiry date: 31 March 2018

To: Deputy Directors-General, Chief Directors, Directors, Circuit Managers, Heads: IMG Coordination and Advice, Deputy Directors at district offices, and Principals and Governing Body Chairpersons of non-section 21 ordinary public schools

Brief summary: *Particulars of the financial allocation to non-section 21 schools for the 2017/18 financial year and guidelines for the procurement of goods and services.*

Subject: Non-section 21 schools: Norms and standards funding for schools Grades 1–12 — financial allocation for the 2017/18 financial year

1. Allocation

The provisional norms and standards (N&S) allocation for your non-section 21 school for the next three years, for the period of 01 April 2017 to 31 March 2020, is available on CEMIS and can be accessed in the following way:

- Log on to CEMIS.
- Select "Public Ordinary".
- Select your school.
- Click "Proceed". Point to the "Administration" menu item and click on "Norms and Standards Allocation". Select "N&S 2017/18".
- Print the page.

Your attention is drawn to the following:

1.1 Allocations are calculated in accordance with the prescripts in paragraphs 108 to 114 of the National Norms and Standards for School Funding (NNSFF) in Government Gazette No. 29179, dated 31 August 2006.

1.2 According to paragraph 114 of the NNSFF, Provincial Education Departments are allowed to allocate less than the indicated 2017 per learner targeted amount as per the National Table of Targets as published in Government Notice No. 12, Government Gazette No. 40065 of 10 June 2016.

After a careful assessment of our budget, the WCED will apply a 6.2% increase on the 2016 provincial table of targets. The no-fee threshold for 2017 will be R1 215.

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Provincial table of targets for the school allocation Grades 1–12 (2017–2019)

	2017	2018*	2019*
NQ1 No-fee	1 215	1 313	1 387
NQ2 No-fee	1 215	1 313	1 387
NQ3 No-fee	1 215	1 313	1 387
NQ4 No-fee	1 215	1 313	1 387
NQ5 No-fee	1 215	1 313	1 387
NQ4 Fee-charging	623	656	695
NQ5 Fee-charging	215	227	240
No-fee threshold	1 215	1 311	1 387

* 2018 and 2019 (adjusted with projected inflation rate) are the projected national targets as communicated.

- 1.3 The provisional N&S allocation letters were calculated based on the 2016 10th day SNAP enrolment.
- 1.4 The Western Cape Education Department (WCED) will review all schools' learner enrolments with the 2017 10th Day Survey. **Final allocation** letters will be published on CEMIS by 17 March 2017.

The funds allocated in terms of this circular must be spent by 31 March 2018.

2. Payment schedule (WCED 032 form)

WCED 032 form should be based on the final allocation, as mentioned in 1.4 above.

2.1 Schools charging school fees

Non-section 21 schools must, before 31 March 2017, divide their N&S allocation for the financial year ending 31 March 2018 into the four categories, namely learning and teaching support material (LTSM), local purchases, municipal services and maintenance on the WCED 032 form. On receipt of the completed WCED 032 form, the WCED will scrutinize the budgets. Schools will be informed if their forms are incorrect and will be requested to submit revised WCED 032 forms.

2.2 No-fee schools

- 2.2.1 20% of the total N&S allocation that is paid over in April-May 2017 must be reserved to defray day-to-day operational **non-personnel expenditure**. Schools will be informed of this amount in the N&S allocation letter. It must be borne in mind that this amount must sustain the school until April 2018, when payment will be received for the next financial year. The remaining N&S allocation for the financial year ending 31 March 2018 must be divided into the four categories on the WCED 032 form on or before 31 March 2017 (see paragraph 2.1 and 3.1 in this regard).
- 2.2.2 In addition, the transfer payments to all non-section 21 schools for maintenance and municipal services (for those schools who pay their own municipal accounts) will be

paid as follows: 50% of the budgeted amounts (as per WCED 032) will be paid in April–May 2017 and the remaining 50% in November 2017.

3. Use of the allocation

3.1 The N&S allocation is intended primarily for LTSM, local purchases, municipal services, essential day-to-day maintenance of school buildings, grounds and equipment (non-scheduled maintenance) and other everyday expenses (20% of N&S in the case of no-fee schools). Own income, as intended in paragraph 6 below, must first be used to cover shortfalls in the above regard before it is used to finance governing body posts.

It is suggested that for 2017/18 schools should divide their available allocation among the various expenditure categories as follows:

- 30% for LTSM orders for 2018, of which 10% should be targeted for library material (each learner must have a textbook for each subject). The stock of school library material should be augmented annually until the total number of items reflects the minimum international standard of 10 items per learner. See paragraph 3.1.1 below for the list of items included under LTSM.
- 20% for local purchases
- 25% for municipal services **(However, schools should budget for a larger percentage if expenditure trends necessitate this.)**
- 25% for maintenance

The shifting of funds on the WCED 032 form should be finalised by 15 September 2017.

3.1.1 Learning and teaching support material (LTSM)

(a) The Department of Basic Education (DBE) defines LTSM as any material that supports and facilitates teaching and learning directly in the classroom or at home (homework). It includes the following:

- Textbooks, readers, reference books, prescribed works, atlases and dictionaries
- Workbooks
- Posters, maps and wall charts
- Educational board games
- Library material (fiction and non-fiction), reference books, posters, and recordings on videos, DVDs, audio cassettes, CDs, CD-ROMs, multi-media, etc.
- Computer software and licensing
- Resource material for educators, learners, classrooms and library

(b) Schools are required to use their full LTSM allocation to purchase LTSM that will enrich and strengthen the implementation of the Curriculum and Assessment Policy Statement (CAPS) in their classes. Schools are therefore encouraged to use their LTSM allocation to purchase supplementary textbooks, prescribed works, atlases, dictionaries, workbooks, posters, maps, wall charts, educational board games, library material (fiction and non-fiction), reference books, recorded videos, DVDs, audio cassettes, CDs, CD-ROMs, computer software, consumer studies and hospitality studies and science laboratory equipment.

- (c) Subject to the following conditions, schools may assign less money to LTSM if:
- each learner in the school has a textbook for each subject and access to other LTSM resources;
 - the school has annually allocated 10% of the LTSM allocation to the purchasing of library material to augment the library stock and the total number of items in the library stock now constitutes the minimum international standard of 10 items per learner; and
 - the governing body has taken a formal decision regarding this deviation. (This decision of the governing body regarding the budget, which must be submitted at a parents' meeting, must be explained and the amount spent per learner on LTSM must be provided. This decision must be put before the parents' meeting, whether the circuit manager supports it or not.)

(d) How to obtain LTSM:

- Non-section 21 schools must follow the prescribed procedures in Annexure A.
- In line with Provincial Treasury instructions, where no official contract is in place, the WCED will advertise the LTSM requests of all non-section 21 schools on the Integrated Procurement Solution (IPS), which is managed by Ariba. This system allows for competitive bidding in accordance with the legislations promulgated in terms of the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000).
- Schools must select all top-up LTSM from the approved national catalogues that are available on the WCED website at **<http://wcedonline.pgwc.gov/branchPS/LTSM/index.html>**
- For assistance in selecting school library material, schools should contact Mr Timothy Cloete, EDULIS Coordinator: School Library Services, at tel. no. 021 957 9626. The district school library adviser and/or resource centre coordinator may also be contacted regarding the development of school libraries.

3.1.2 Municipal services

- (a) The N&S allocation to schools is intended for the payment of, amongst others, schools' monthly municipal services accounts which includes electricity, water, sewage and refuse removal (availability and usage charges), but excludes the payment of property tax. As in the past, the State will pay the property tax on property registered in the name of the Provincial Government of the Western Cape (PGWC) or in certain circumstances the Republic of South Africa (RSA).
- (b) A few schools have indicated that they do not wish to manage their own municipal services and their accounts will still be paid by the relevant district offices. The district offices will provide each school with copies of its accounts each month for examination and for confirmation that the accounts are correct. **The WCED 032 amount represents what the WCED will be liable for and this will be used to pay municipal services. Schools will be liable for the payment of any municipal expenses incurred in excess of what was budgeted for on the WCED 032.**

- (c) Non-section 21 schools must calculate, using their past expenditure plus inflation adjustments, the amount they reserve for municipal services and indicate it on the WCED 032 form. This amount and the funds for maintenance will be paid simultaneously to those schools that accepted the function. **Where the N&S allocation for municipal services is insufficient, schools are expected to supplement the allocation from their own income, where necessary.**
- (d) Schools must still implement, amongst others, the savings measures indicated in Annexure B.
- (e) Eskom and most municipalities have indicated they can make prepaid electricity meters available to schools. This will enable schools to better control their electricity consumption.
- (f) **Where it is established that schools are not settling their municipal service accounts, the WCED reserves the right to withhold funds from the N&S allocation to pay outstanding municipal service accounts on behalf of the schools concerned.**

3.1.3 Day-to-day maintenance

- (a) Day-to-day maintenance applies to the maintenance of grounds, cleaning, renovations, repairs and/or replacement of parts of school buildings. **Regular maintenance must be carried out to prevent the deterioration of school buildings and emergency repairs resulting from neglect.**
- (b) **Where the N&S allocation for day-to-day maintenance is insufficient, schools are expected to supplement the allocation from their own school funds, where necessary.** Schools must budget for their day-to-day maintenance repairs in accordance with the condition of the school building and grounds.
- (c) Schools should set aside a budget amount from their annual day-to-day maintenance allocation for the maintenance of equipment used to enhance the appearance of the school grounds, e.g. servicing the lawnmower, purchasing paint for benches on the school grounds, and purchasing lime and fertiliser.
- (d) N&S allocations may not be used for day-to-day repairs to hostels. Such repairs should be funded from the learners' boarding fees and bursaries.

3.2 Schools must indicate the allocations for the maintenance of buildings, grounds and equipment as a single amount on the WCED 032 form.

3.3 Where non-section 21 schools exceed their N&S allocations, for whatever reasons, the WCED will recover any overspending from the following financial year's N&S allocation to the school. This should, however, not be viewed as encouraging schools to exceed their N&S allocations.

4. **The N&S allocation may NOT be used for the following:**

- **Remuneration of governing body employed personnel**
- **New buildings**

- **Hostel expenditure**
- **Loans to individuals or other institutions**
- **Vehicles**

5. **Major emergency repairs**

In terms of paragraph 97 of the NNSFF, the WCED accepts responsibility for major emergency repairs to buildings, subject to the availability of funds budgeted for such eventualities. The following repairs will be considered according to the procedures in Circular 175/2000:

CATEGORY A

Serious damage as a result of natural disasters, structural problems and fires.

The WCED will accept responsibility for such emergency repairs only if the cost exceeds R10 000 and provided that sufficient funds are available.

The WCED will, at its own discretion, consider making a transfer payment for the materials in relatively **less serious** cases.

6. **Own income**

In terms of section 36(1) of the South African Schools Act (SASA), 1996 (Act 84 of 1996), governing bodies must take all reasonable steps to supplement the resources supplied by the State in order to improve the quality of education provided by the school to all learners at the school. Although no-fee schools may not charge compulsory school fees (including registration fees), they are encouraged to seek voluntary contributions (donations) and engage in fundraising activities.

7. **Reporting**

7.1 The approved budget of the school must be submitted to the relevant district office by 01 December of each year.

7.2 All schools must submit a WCED 043 form (biannual report) to the relevant district office within 30 days of the end of the quarter (expenditure up until 30 June and 31 December). Funds will be paid over to schools only if satisfactory WCED 043 reports on the financial activities of previous quarters have been received. Furthermore, section 43(5) of the SASA requires schools to submit (for the attention of the relevant district director) a copy of their set of audited financial statements for the previous financial year by 30 June of each year.

8. **Further conditions**

8.1 The governing body must exercise proper control over revenue and expenditure, as set out in the *Manual: Basic Financial System for Schools*, issued by the Head of Department in terms of section 38(1) of the SASA. Should the members of the governing body not have the necessary expertise to carry out this function, they must co-opt someone who will be able to assist them.

- 8.2 All school funds, obtained both from the State allocation and own income, must be used for purposes directly connected with education, as stated in section 37(6) of SASA, including the acquisition of LTSM. In terms of WCED policy, textbooks and readers may not be photocopied as this is tantamount to infringement of the Copyright Act, 1978 (Act 98 of 1978).
- 8.3 The WCED has the right to inspect records relating to school funds and to act against any member of staff or the governing body should he or she be involved in the mismanagement of school funds. Schools must, therefore, keep all proof of income and expenditure for this purpose.

9. **Application for section 21 status**

Applications to change from non-section 21 status to section 21 status must be submitted via the district office to reach Head Office on or before 24 February 2017 on the attached application form (Annexure C). Successful schools will receive section 21 status only from the beginning of the following financial year, i.e. with effect from 01 April 2017.

Late applications will result in section 21 status only being given as from April 2018.

10. **2016/17 allocation**

The funds allocated to schools in terms of Circular 0063/2015 must be spent by schools before 31 March 2017.

11. **Contact numbers for enquiries**

Subject	Name	Telephone no.
WCED 043 biannual reports and audited annual financial statements	District Office Deputy Director: Corporate Services	Applicable district office
Submission of WCED 032 (classification of N&S allocation)	Ms P Phillips	021 467 2326
Purchase of LTSM (WCED 034) and local purchases (WCED 026) for non-section 21 schools	Mr B Le Keur Mr B Stoffels	021 467 2094 021 467 2345
Transfer payments to schools (N&S allocations)	Ms M Paulsen	021 467 2271
Emergency repairs	Mr GP Nieuwoudt	021 467 9347
eLearning EDULIS Coordinator: School Library Services	Mr C Walker Mr T Cloete	021 467 2351 021 957 9626
General enquiries: Norms and standards (excl. transfer payments)	Mr L Sangqu Ms A Bakubaku Mr L van Wyk Fax no.	021 467 2608 021 467 2041 021 467 2658 086 731 8900

SIGNED: BK SCHREUDER
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