



TRANSFER PAYMENT AGREEMENT

Entered into by and between:

THE WESTERN CAPE GOVERNMENT VIA ITS DEPARTMENT OF EDUCATION

(Herein represented by _____ in his/her
capacity as _____ and duly authorised thereto)

(Herein referred to as "the Department")

and

(Name of the School/Institution)

a duly registered public school under the auspices of the Western Cape Education
Department (duly represented by **Mr/MS** _____ in his/her
capacity as **Principal**)

(Hereinafter referred to as "the Beneficiary")

(collectively called as "the Parties")

PREAMBLE:

- A. **WHEREAS** the Beneficiary, as a public school in terms of the South African Schools Act 84 of 1996, is engaged in a **[insert name/description of Project]**.
- B. **AND WHEREAS** the Department wishes to contribute to the ongoing operations of the Beneficiary and specifically support this Project, in line with the Department's general obligations and those set out in section 34 of the South African Schools Act 84 of 1996.
- C. **AND WHEREAS** the Beneficiary has been allocated additional functions in terms of section 21 of the South African Schools Act 84 of 1996 including to maintain and improve the school's property; determine the extra-curriculum of the school and the choice of subject options; purchase textbooks, educational material or equipment for the school; pay for services to the school; provide an adult basic education and training class or centre subject; and any other relevant function consistent with the South African Schools Act 84 of 1996.
- D. **AND WHEREAS** the Parties have reached an agreement in terms of which the Department will contribute towards the Project by transfer into the registered account of the School in the amount of R[insert amount in numbers] ([insert amount in words]) to the School for the Project **[insert Project name/description]**.
- E. **AND WHEREAS** in the case of multi-year funding, funding for subsequent financial years will be subject to the allocations made by the Provincial Executive, Departmental budget allocations made by the Provincial Parliament and the Departmental performance management processes, together with the conclusion of a further agreement between the Parties in respect of such further funding.

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:

1. INTERPRETATION

- 1.1. In this Agreement unless the context indicates a contrary intention a word or expression which denotes: -
- 1.1.1. any gender shall include the other genders;
 - 1.1.2. a natural person shall include juristic persons and vice versa; and
 - 1.1.3. the singular shall include the plural and vice versa.
- 1.2. In this Agreement the following expressions bear the meanings assigned to them below and cognate expressions bear corresponding meanings: -
- 1.2.1. "**Agreement**" means this transfer payment agreement, together with any other annexures hereto, and "**this Agreement**" shall have a corresponding meaning;
 - 1.2.2. "**Beneficiary's Bank Account**" means the designated account opened in the name of the School as registered with the Western Cape Education Department;
 - 1.2.3. "**Beneficiary's Financial Year**" means 1 January to 31 December of the calendar year in which the Commencement Date occurs;
 - 1.2.4. "**Business Day**" means Monday to Friday, inclusive of both and excludes Saturday, Sunday and Public Holidays;
 - 1.2.5. "**Business Plan**" means the business plan relating to the Project of the Beneficiary set out in Annexure "**B**";

- 1.2.6. **“Calendar Day”** means any day of the week and includes weekends and statutory public holidays proclaimed as such in the Republic of South Africa;
- 1.2.7. **“Commencement Date”** means, notwithstanding the Signature Date, **[insert date not preceding the decision to fund the Beneficiary]**;
- 1.2.8. **“Funds”** means the transfer of an amount of R[insert amount in numbers] ([insert amount in words]) by the Department to the Beneficiary in the furtherance of their operational objectives;
- 1.2.9. **“Parties”** means the Department and the Beneficiary;
- 1.2.10. **“Project”** means the **[insert description]**; and
- 1.2.11. **“Signature Date”** means the date of the last Party to sign this Agreement.
- 1.3. Words and expressions defined in any clause shall, for the purpose of that clause, bear the meaning assigned to such words and expressions in that clause.
- 1.4. Any period referred to herein by way of a reference to a number of days or weeks or months or other intervals, shall be reckoned exclusively of the 1st (first) day and inclusively of the last day of the relevant interval, unless the last day falls on a day which is a Saturday, Sunday or Public Holiday, in which case the last day shall be the next succeeding Business Day.
- 1.5. The rule of construction that, in event of ambiguity, this Agreement shall be interpreted against the Party responsible for the drafting thereof, shall not apply in the interpretation of this Agreement.

2. DURATION OF AGREEMENT

- 2.1 This Agreement shall commence on the Commencement Date and shall, unless otherwise provided for in this Agreement, terminate once all the agreed upon deliverables and reporting obligations have been met.
- 2.2 Any of the Funds not utilized by the Beneficiary at the end of the Beneficiary's Financial Year may, after consultation with the Department, be utilised in the Beneficiary's subsequent financial year, provided that the Funds are utilised for the intended purpose.
- 2.3 Further funding requests received from the Beneficiary may be reviewed to ensure that the Project is funded on an equitable basis and that the total funds approved for the project is affordable and aligned to the budgeted funding of the Project. The outcome of such review will be communicated to the Beneficiary to enable it to amend the Business Plan accordingly.

3. PAYMENT OF THE FUNDS

- 3.1 The Department shall transfer the Funds to the Beneficiary in the following tranches:
- 3.1.1 the Department shall pay R[insert amount in numbers] ([insert amount in words]) within[/on] [insert payment period], subject to the terms and conditions contained in this Agreement.
- 3.2 The Funds shall be deposited into the Beneficiary's Bank Account.
- 3.3 The Funds may only be utilised for the purpose that has been agreed upon and set out in the Business Plan, attached hereto as Annexure "B".
- 3.4 Nothing in this Agreement shall be construed as confirmation of the allocation of funding in respect of the Project in subsequent financial years other than those already provided for in this Agreement.

4. OBLIGATIONS OF THE BENEFICIARY

- 4.1 The Beneficiary shall do the following as part of its annual financial governance obligations required of schools:
- 4.1.1 ensure that effective, efficient and transparent financial management and internal control systems are in place, and shall remain in place at all times;
 - 4.1.2 furnish the Department with its most recent audited financial statements, in support of clause 4.1.1 above; and
 - 4.1.3 appoint an accountant to prepare the Beneficiary's financial statements in respect of any and each financial year.
- 4.2 The Beneficiary shall do the following in respect of the Funds:
- 4.2.1 furnish the Department with a written assurance of compliance in terms of section 38 of the Public Finance Management Act, 1999, which is to be attached as Annexure “**A**” to this Agreement;
 - 4.2.2 allocate and utilise the Funds only in accordance with the Business Plan;
 - 4.2.3 create a separate line item within its income and expenditure report (043 form) to enable it to accurately account for the Funds transferred in favour of the Project;
 - 4.2.4 refund to the Department all Funds clearly indicating the Project reference number, should the Beneficiary fail to commence with the implementation of the Project within 6 (six) months after the Funds (or any part thereof) have been paid over to it, within 30 (thirty) Calendar Days from the end of the 6-month period;

- 4.2.5 pay back any surplus and/or remaining Funds to the Department (clearly indicating the Project reference number), within 30 (thirty) Calendar Days of termination of the Agreement;
- 4.2.6 ensure that it maintains complete documentary evidence of all and any payments made from the Funds, including but not limited to expenditure vouchers, indicating the Project reference number, which must be retained for audit purposes;
- 4.2.7 furnish the Department with an income and expenditure statement certified as correct by the Principal, which indicates the total allocation and total expenditure in respect of the Project, within 60 (sixty) Calendar Days of completion of the Project; and
- 4.2.8 adhere to the reporting and other requirements as set out in clause 5 below.

5. REPORTING, MONITORING AND EVALUATION

- 5.1 The Beneficiary must submit written progress reports to the relevant programme manager of the Department on **[insert time periods and number of reports]**.
- 5.2 The above-mentioned progress report(s) must reflect the achieved targets and outputs, as well as a detailed breakdown of expenditures and the balance of the Funds to date. These progress reports must be submitted together with any supporting documents substantiating the achieved targets and outputs.
- 5.3 The Department reserves the right to request additional information pertaining to any matters or issues raised in or relevant matters or issues omitted from any report/progress report as furnished.

- 5.4 Failure by the Beneficiary to submit any progress reports on or before the dates as stipulated in clause 5.1 above may result in suspension or termination of payments by the Department.
- 5.5 The management of the Beneficiary shall be obliged to attend regular meetings to be held at the reasonable instance and request of the Department to discuss progress of or any impediments to the fulfilment of the obligations in terms of this Agreement.
- 5.6 The Beneficiary will allow a duly nominated official from the Department to attend meetings and other committee meetings where issues relevant to the Project are discussed, with the exception of those meetings at which confidential governance matters are discussed, as a way of monitoring and evaluating progress made by the Beneficiary in achieving the targets and outputs of the Project.
- 5.7 The Department will be provided with timeous notice of all such meetings as well as all relevant documents including, but not limited to, minutes of meetings and agendas attended by the relevant official and pertaining to the Project.
- 5.8 The Beneficiary shall make available to the Department all relevant records, documents and other evidence pertaining to the performance / obligations in terms of this Agreement, as and when requested by the Department, in order that the Department may conduct outcome and impact evaluations, after reasonable prior written notice has been given.
- 5.9 Together with the final progress report submitted to the Department in accordance with clause 5.1 above, the Beneficiary may be requested to submit a report by the Principal, or other most senior member of management, as the case may be, pertaining to the Project, and which refers to the following:

- 5.9.1 the extent to which the Beneficiary achieved its objectives for the financial year concerned;
- 5.9.2 appropriate performance information regarding the economical, effective and appropriate utilisation of the Funds; and
- 5.9.3 an indication of other funds, if any, received from the State, as well as any undertaking given by the State.
- 5.10 To ensure that the Funds are utilised correctly, the Beneficiary shall, upon written notice by the Department, grant authorised officials of the Western Cape Education Department access to the documentation, books, financial records and bank statements of the Beneficiary at all reasonable times, and these officials shall be entitled to inspect the Beneficiary's records at the Beneficiary's premises and to make copies of any required documentation.
- 5.11 The Department reserves the right to request the Beneficiary to have the income and expenditure statement referred to in clause 4.2.7, audited.

6. BREACH

Should the Beneficiary breach any or all of the terms and conditions of this Agreement, and fail to remedy such breach within 7 (seven) Calendar Days of receiving written notice from the Department requiring it to do so, the Department, without detriment to any other remedy which may be available to it in law, shall be entitled to cancel this Agreement, but only after all efforts were made to resolve the breach amicably.

7. DISPUTE RESOLUTION

- 7.1 In the event of any dispute arising from this Agreement, the Parties shall make every effort to settle such dispute amicably.

7.2 If the dispute is not capable of being settled amicably between the Parties, such dispute shall be elevated to the Senior Management/Executive or their duly designated representatives for mediation purposes, within 7 (seven) Calendar Days of the dispute having arisen.

8. NOTICES

The Parties choose for the purpose of giving or sending any notice provided for or necessary in terms of this Agreement, the following addresses:

THE DEPARTMENT:

1 North Wharf Square, 2 Lower Loop Street,

Foreshore

Cape Town

8001

THE BENEFICIARY:

9. ENTIRE AGREEMENT

9.1. This Agreement constitutes the entire agreement between the Parties relating to the transfer of funds and no amendment, alteration, addition or variation

of any right, term or condition of this Agreement will be of any force or effect unless reduced to writing and signed by the Parties to this Agreement.

- 9.2. The Parties agree that there are no conditions, variations or representations, whether oral or written and whether expressed or implied or otherwise, other than those contained in this Agreement.
- 9.3. This Agreement replaces any other previous verbal or written agreement entered into between the Parties.
- 9.4. If any of the clauses of this agreement are found to be invalid or not binding on the parties, such finding will not affect the validity of this agreement and the parties agree to be bound by the other provisions of the agreement.

SIGNED AT _____ **ON THIS** _____ **DAY OF** _____ **2022**

THE DEPARTMENT

(Herein represented by _____,
duly authorised thereto)

AS WITNESSES:

Signature

Name also in capital letters

Signature

Name also in capital letters

SIGNED AT _____ ON THIS _____ DAY OF _____ 2022

THE BENEFICIARY

(Herein represented by _____,
duly authorised thereto)

AS WITNESSES:

Signature

Name also in capital letters

Signature

Name also in capital letters

ANNEXURE "A"

WRITTEN ASSURANCE IN TERMS OF SECTION 38(1)(j) OF THE PUBLIC FINANCE MANAGEMENT ACT, 1999 (ACT 1 OF 1999)

In terms of Section 38(1)(j) of the Public Finance Management Act, 1999 ("PFMA"), the **Western Cape Education Department** requires written assurance that the Beneficiary implements effective, efficient and transparent financial management and internal control systems.

I, the undersigned..... (Name)

in my capacity as (Position)

of.....
(Organisation)

and duly authorised to commit..... (Organisation)

hereby declare that..... (Organisation)

implements effective, efficient and transparent financial management and internal control systems which in particular includes the disbursement of and accountability for Funds transferred to the school.

