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SKILLS PROGRAMME FUNDING POLICY

For the period

1st April 2008 to 31st March 2009

FOODBEV SETA SKILLS PROGRAMME FUNDING POLICY

1. INTRODUCTION

This policy is applicable to the payment of skills programme grants by FoodBev SETA to qualifying employers. The skills programme grants constitute substantial funding by FoodBev SETA of the cost of training employees on a skills programme. As such it is necessary that clear qualification criteria for skills programme grants are set out and employers, in terms of this policy, enjoined to adhere to the prescripts of the Skills Development Act, 97 of 1998, as amended and relevant regulations published in terms thereof in the implementation of skills programmes. The policy further regulates the terms and conditions of the payment of skills programme grants and entrenched FoodBev SETA's rights and entitlement to recover skills programme grants in instances of non-compliance with relevant legislation and this policy in the implementation of skills programmes.

As per this policy, all qualifying employers who sign and submit a grant claim form acknowledge and accept FoodBev SETA's entitlement to regulate these matters per policy in an endeavour to ensure the effective and efficient quality control of training as FoodBev SETA is statutorily enjoined to do under the Skills Development Legislative Framework.

2. PURPOSE

The purpose of this policy is to define the terms and conditions under which the Skills Programme Grant will be implemented to achieve the National Skills Development Strategy (NSDS) Objective 2, Indicator 2.8 and Objective 4, Indicator 4.1, with respect to targets, eligibility/qualifying criteria, evaluation of applications, grant value, grant payments.

This funding policy has been informed by the Skills Development Act No .97 of 1998.

3. SCOPE

3.1 Foodbev SETA has made grants available to companies/organisations within the Food and Beverages Manufacturing Sector for enrollment of employees/unemployed persons (hereafter referred to as "learners") on Skills Programmes

3.2 Skills Programme Grants are payable to employers to **subsidise**, in part, the cost of implementing skills programmes.

3.3 This policy is applicable to the payment of Skills Programme Grants. Foodbev SETA will however, as part of our mandate, continue to register learners on skills programmes even though grant funding may not be applicable/available.

3.4 FoodBev SETA maintains the right to adjust/amend this policy.

4. POLICY

FoodBev SETA will pay a Skills Programme Grant in accordance with the terms and conditions stipulated in this Skills Programme Grant Policy, and specific criteria for submission, evaluation and approval with reference to payment of the Skills Programme Grant.

5. OBJECTIVES

5.1 NSDS Objective 2, Indicator 2.8

NSDS Objective 2, Indicator 2.8, states:

- *“By March 2010, at least 125 000 **workers** assisted and at least 50% successfully complete programmes, including learnerships and apprenticeships, leading to basic entry, intermediate and high level scarce skills.*

NSDS Objective 4, Indicator 4.1, states:

- *“By March 2010, at least 125 000 **unemployed people** assisted and at least 50% successfully complete programmes, including learnerships and apprenticeships, leading to basic entry, intermediate and high level scarce skills.*

6. DEFINITIONS

- 6.1 Skills Programme - A group of unit standards, linked to a national qualification, (registered on the NQF) that gives the qualifying learner an employable skill.
- 6.2 VAT - Value added tax. Foodbev SETA has been de-registered as a VAT vendor as of 1 April 2005.
- 6.3 Umaluzi - Education and Training Quality Assurance Body for qualifications in the Further and Higher Education bands.
- 6.4 CHE - Education and Training Quality Assurance Body for qualifications in the Higher Education Band.

7. RESPONSIBILITY/AUTHORITY

The CEO is responsible for ensuring that this policy is implemented, whilst the Skills Planning Manager implements the policy.

8. QUALIFYING CRITERIA

Applications must meet **all**¹ the following minimum criteria in order to qualify for funding:

- 8.1 The applicant must be registered with Foodbev SETA.
- 8.2 The applicant must be up to date with levy contributions unless exempt from paying levies (proof of exemption must be submitted).
- 8.3 The applicant **must** have qualified for mandatory grants (workplace skills planning grant) if employing more than 50 employees.
- 8.4 The grant must pertain to a registered skills programme (both primary and non-primary focus).
- 8.5 The application for grants must be submitted on the prescribed application form.
- 8.6 The provider contracted to deliver the training must be accredited by the relevant SETA, Umaluzi or CHE to deliver the applicable qualification.
- 8.7 Applications must be for learners recruited and contracted during the current levy year (1 April 2008 to 31 March 2009).
- 8.8 Companies must deliver signed learner enrollment forms to Foodbev SETA **within three months** of notification of approval of funding.

- 8.9 The applicant must have demonstrated a successful track record in learnerships/skills programmes or Foodbev SETA funded projects, or be willing to undergo an evaluation of company “readiness” for implementation of skills programmes.
- 8.10 The applicant agrees to an audit by FoodBev SETA.
- 8.11 Companies hosting previously unemployed learners must comply with at least one of the following NSDS equity targets: 85% black, 54% women, 4% disabled.

¹ Failure to comply with any one or more of the above qualifying criteria **on submission** of a grant application will **automatically disqualify** an application for grant funding.

9. GRANT APPLICATION/APPROVAL

9.1 Invitations to apply will be posted on the FoodBev SETA website and Foodbev Seta communications media.

9.2 There will be five evaluation periods for grant funding applications during the financial year:

- 9.2.1 End of May 2008
- 9.2.2 End of July 2008
- 9.2.3 End of September 2008
- 9.2.4 End of November 2008
- 9.2.5 End of January 2009.

9.3 Companies will be informed within one month of each of the evaluation periods of the outcome of the grant funding application.

10. GRANT VALUE

Employers registered with FoodBev SETA may apply for Grants for both employees and unemployed persons on skills programmes. The grant value is calculated at R50,00 per NQF credit contained in the skills programme.

Skills Programme Grants are intended to subsidise, in part, the cost of training employees and unemployed persons on a skills programme.

11. EVALUATION AND APPROVAL PROCESS

The FoodBev SETA will evaluate the application against qualifying criteria (Section 8) and approve within the timelines advertised.

The approval is at the discretion of FoodBev SETA based on availability of funds.

12. PAYMENT OF GRANTS

- 12.1 The skills programme grants will be paid from the pool of discretionary funds available for skills programmes. The approval of the grant is subject to funds availability and an application meeting all of the criteria does not guarantee funding.
- 12.2 No funds will be committed to any organisation for an unspecified date in the future or for learners recruited in a previous or future levy year.
- 12.3 Grants will be paid out within one month of having received all the applicable skills programme enrollment forms (**correctly completed**) and an **original** signed grant claim form.
- 12.4 Failure to produce the learner enrolment forms by due date will result in the funds allocated reverting to the discretionary pool.

13. GRANT PAYMENT TRANCHES

- 13.1 **1st Tranche:** An advance payment of 50% of the total grant value is payable on approval of the grant claim.
- 13.2 **2nd Tranche:** The balance of 50% is payable after 50% of credits contained in the skills programme has been assessed, internally moderated and an internal moderation report submitted to FoodBev SETA.

14. SKILLS PROGRAMME DURATION

- 14.1 Each credit contained in a skills programme is equivalent to 10 “notional” hours of learning, e.g. a skills programme of 50 credits should be completed in 500 hours (62,5 days) - 50 credits times 10 notional hours divide 8 hours.
- 14.2 To allow for production requirements 50% can be added to the “theoretical” duration of the skills programme, e.g. 62,5 days x 150% = 97,75 days.
- 14.3 The formula above should be used to calculate the maximum duration and the end date of the skills programme. Skills programmes should **not exceed** the maximum duration calculated.

15. NON COMPLIANCE IN terms of the Skills Programme Funding Policy

Circumstances in which the employer must repay the grant:

- If the skills programme is terminated prior to completion of all the credits contained in the skills programme, the employer must repay the FoodBev SETA the grant received from the SETA on a pro-rated basis.

Notification of early termination:

- The employer must notify the FoodBev SETA in writing of the termination of the skills programme within two working days from the early termination of the skills programme.

Time of payment:

- **The employer** must repay the grant to FoodBev SETA within one month of the early termination date of the skills programme

Costs and recovery of amount owing to FoodBev SETA:

- If **the employer** does not repay the grant within the time contemplated in paragraph 5 then **the employer** undertakes to pay the FoodBev SETA's legal costs reasonably incurred in recovering this amount on an attorney-client scale.
- The amount will also incur interest at the rate set out in the Prescribed Rate of Interest Act, 1975.
- FoodBev SETA may institute proceedings in a Court of competent jurisdiction or institute arbitration proceedings to recover monies owed to it by the employer.

Calculation of amount owing :

1. **Calculate the skills programme amount on a credit basis:** XXX number of credits X R50 per credit.

$$A \times B = C$$

Where:

A represents the number of credits contained in skills programme

B represents R50

C represents the skills programme amount.

2. Calculate the skills programme value: by multiplying the number of credits that the learner has been assessed and internally moderated on (and assessment results have been submitted to FoodBev SETA) until the early termination of the skills programme by R50 per credit.

$$C \times D = E$$

Where:

D represents the actual no. of credits that the learner has been assessed and internally moderated on

E represents R50

3. Calculate the repayment amount: If the skills programme value (credits completed) is less than the initial tranche paid by the FoodBev SETA then the company must repay the FoodBev SETA the difference between the amounts.

$$F - E = G$$

Where:

F represents the initial tranche

G represents the amount employer must repay the FoodBev SETA

4. If the skills programme value is more than the initial tranche then the FoodBev SETA will pay the employer the difference between the initial tranche and the skills programme value. The FoodBev SETA will therefore not pay the full final tranche.

$$E - F = H$$

Where:

H represents the amount the FoodBev SETA must pay the employer

PROCESS OF GRANT APPLICATION AND GRANT APPROVAL

