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	TITLE:	MANDATORY GRANT POLICY		

## 1. PURPOSE

This serves to define the method of implementing the Mandatory Grant with respect to targets, qualifying criteria, evaluation criteria, grant value and grant payments.

## 2. SCOPE

The Mandatory Grant is a grant payment to levy paying companies in the food and beverages manufacturing sector who comply with the qualifying criteria as stipulated in this policy.

## 3. POLICY

FoodBev SETA will pay a Mandatory Grant in accordance with the terms and conditions stipulated in the Mandatory Grant Policy, and specific criteria for submission, evaluation and approval of Grant application and payment of the Mandatory Grant.

## 4. OBJECTIVES

### 4.1 NSDS Objective

NSDS Objective 2, Indicator 2.1 states:

- *“By March 2010, at least 80% of large firms' and at least 60% of medium firms' employment equity targets are supported by skills development. Impact on overall equity measured”.*

NSDS Objective 2, Indicator 2.2 states:

- *By March 2010 skills development in at least 40% of small levy paying firms supported and the impact of support measured”.*

### 4.2 Foodbev SETA Objectives

- By March every year, 80% of large firms' employment equity targets are supported by skills development.
- By March every year, 60% of medium firms' employment equity targets are supported by skills development
- By March every year skills development in at least 40% of small levy paying firms are supported and the impact measured.

## 5. DEFINITIONS / ACRONYMS

- **Mandatory grant:** A mandatory grant as set out in the *Sector Education and Training Authorities (SETA) Grant Regulations Regarding Monies Received by a SETA and Related Matters* (Regulation 27240 of 1 February 2005) as amended in Government Gazette no. 29584 (2 February 2007) must be paid to an employer on condition that the qualifying criteria as set out in this policy are met.
- **Employer representative:** Person representing the employer ideally the owner, CEO or senior management representative
- **Employee representative:** Person representing employees ideally a trade union representative or otherwise a non-managerial employee
- **WSP:** Workplace Skills Plan
- **ATR:** Annual Training Report
- **SDF:** Skills Development Facilitator

## 6. RESPONSIBILITY/AUTHORITY

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

## 7. QUALIFYING CRITERIA

7.1 The mandatory grant requirements and criteria have been drawn from the *Sector Education and Training Authorities (SETA) Grant Regulations Regarding Monies Received by a SETA and Related Matters* (Regulation 27240 of 1 February 2005) as amended in Government Gazette no 29584 (2 February 2007). Sub-regulations 6 have specific reference to this policy:

### “Allocation of mandatory grants by SETA

6. (1) Subject to regulation 10, a SETA must allocate a mandatory grant to -

(a) an employer employing 50 or more employees that has submitted an application for a Workplace Skills Planning and Annual Training Report grant in accordance with subregulation (2) and in the form prescribed in Annexure “2” to these regulations; or

(b) an employer employing less than 50 employees that has submitted an application for a grant in accordance with subregulation (2) on a simplified form provided by the SETA.

(c) An employer who has registered for the first time in terms of section 5(1) of the Skills Development Levies Act that has submitted an

application for a Workplace Skills Planning grant within 6 months of registration.

- (2) An application for a mandatory grant in terms of subregulation (1) must be submitted subject to subregulation (5) -
  - (a) By 30 September 2005 for the 2005/6 financial year or in respect of unclaimed mandatory grants in respect of previous financial years;
  - (b) By 30 June for all subsequent financial years
- (3) The mandatory grant to be paid by the SETA -
  - (a) must be equivalent to 50% of the total levies paid by the employer in terms of section 3(1) read with section (6) of the Skills Development Levies Act during each financial year; and
  - (b) must be paid to the employer at least quarterly.
- (4) If the employer does not claim a mandatory grant within the time periods specified in subregulation (2), the SETA must transfer the employer's unclaimed mandatory grant funds to the discretionary grant fund."
- (5) A SETA Board or Council may grant an extension up to a maximum period of one month from the date contemplated in subregulation 2(b) for late submission of an application for a mandatory grant subject to a written request by an employer."

## 7.2 Extension of submission date

Foodbev SETA Council mandates the SETA to grant a maximum of one (1) month extension for submission of the WSP / ATR only under extreme conditions as contemplated in the Regulations **and** on written request from the employer. Examples of these conditions are, amongst others:

- Accident on day of submission
- Death / serious illness of owner / MD / CEO / Director
- Death / serious illness of SDF / person completing the form etc.

## 8. GRANT APPROVAL

- 8.1 The mandatory grant requirements and criteria have been drawn from the *Sector Education and Training Authorities (SETA) Grant Regulations Regarding Monies Received by a SETA and Related Matters* (Regulation 27240 of 1 February 2005) as amended in Government Gazette no 29584 (02 February 2007). Sub-regulation 10 has specific reference to this policy.

### **“Mandatory grant recovery by employers**

10. (1) An employer seeking recovery of a grant against the levy payment must meet the eligibility criteria for grant recovery as prescribed in subregulation (2).
- (2) A SETA must not pay mandatory grant to an employer who is liable to pay skills development levy in terms of section 3(1) of the Skills Development Levies Act, unless the employer -
- (a) has registered with the Commissioner in terms of section 5 of the Skills Development Levies Act;
  - (b) has paid the levies directly to the Commissioner in the manner and within the period determined in section 6 of the Skills Development Levies Act;
  - (c) is up to date with the levy payments to the Commissioner at the time of approval and in respect of the period for which an application is made;
  - (d) has submitted a Workplace Skills Plan that contributes to the relevant SETA sector skills plan as contemplated in section 10(1) of the Act within the timeframes prescribed in regulation 6(2) of these regulations; and
  - (e) with effect from 2006 / 2007 financial year and in subsequent financial years, has submitted an Annual Training Report that has been verified by a SETA Board or Council as having contributed to the implementation of the previous financial year's Workplace Skills Plan, except for an employer contemplated in subregulation 6(1)(c) of these regulations.
- (3) Employers who fail to meet the prescribed criteria will forfeit the grant referred to in regulation 6 of these regulations."

## 8.2 Criteria for approval

- a) WSP and ATR submitted on the required Foodbev SETA templates; **and**
- b) For organisations employing more than 50 employees, at least one (1) planned and actual training intervention must address / align with the sector skills needs as defined in the Foodbev SETA Sector Skills Plan; **and**
- c) At least 40% of planned training interventions to be implemented; **and**
- d) WSP and ATR to be signed of by the SDF completing the form, an Employee representative and the MD / CEO / Owner / Director (Proof of consultation (minutes of meetings / official letters / memos) to be submitted should the employee representative refuse to sign); **and**
- e) Outstanding queries on the WSP / ATR to be addressed by the employer by end of November of every year, or as otherwise specified by the FoodBev SETA, where after the WSP / ATR will be rejected.

## **9. GRANT TYPES**

9.1 *Large business mandatory grant* - Mandatory grant for employers who employ 50 or more employees

9.2 *SME mandatory grant* - Mandatory grant for employers who employ less than 50 employees

## **10. GRANT PAYMENT**

50% of levies paid on approval of grant application and to be paid at least quarterly. Organisations need to provide the SETA with up to date levy information for verification purposes.