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Wes-Kaap Onderwysdepartement

Western Cape Education Department

ISebe leMfundo leNtshona Koloni

CIRCULAR : 0032/2009
EXPIRY DATE : 31 March 2011

TO: DEPUTY DIRECTORS-GENERAL, CHIEF DIRECTORS, DIRECTORS, CIRCUIT TEAM MANAGERS, IMG MANAGERS, HEAD: IMG CO-ORDINATION AND ADVICE, DEPUTY DIRECTORS AT EDUCATION DISTRICT OFFICES, AND PRINCIPALS AND CHAIRPERSONS OF GOVERNING BODIES OF ORDINARY PUBLIC SCHOOLS

BRIEF SUMMARY: *Particulars of the financial allocation to schools for the 2010/11 financial year and guidelines for the procurement of goods and services*

SUBJECT: NORMS AND STANDARDS FUNDING FOR SCHOOLS - FINANCIAL ALLOCATION FOR THE 2010/2011 FINANCIAL YEAR

1. ALLOCATION

Details of the Norms and Standards (N&S) allocation for your school for the financial year extending from 1 April 2010 to 31 March 2011 are published on CEMIS. Schools can access this under the following settings:

Log on to CEMIS. There is a message on one of the opening display screens that recommends the procedure. Click "Proceed". Point to the "Administration" menu item on CEMIS and click on "Norms and Standards Allocation". Please print the page.

Your attention is drawn to the following:

- 1.1 Allocations are calculated in accordance with the prescripts in paragraph 108 to 113 of the National Norms and Standards for School Funding (NSSF) (Government Gazette 29179, dated 31 August 2006).

According to paragraph 109 of the NSSF, the provincial education departments must use the national poverty distribution table (poverty table) to determine how the targeted amounts are to be allocated in each province. The amended table below indicates the percentage of learners in the Western Cape that may be placed in the various national quintiles (NQs) from 2010.

	NQ1	NQ2	NQ3	NQ4	NQ5	Total
National	20%	20%	20%	20%	20%	100%
Western Cape%	9.5%	13.6%	16.9%	22.1%	37.9%	100

- 1.2 The allocation letter includes the allocation for 2010/11, as well as provisional allocations for the next two financial years, i.e. 2011/12 and 2012/13. All allocations were calculated on the 2009 Annual Survey of Schools (ASS) enrolment.
- 1.3 For **non-Section 21 schools, the funds allocated in terms of this Circular must be spent by 31 March 2011**. For Section 21 schools, any outstanding WCED 043 forms (see paragraph

6.2) must be submitted **before Friday, 27 February 2011**, to prevent forfeiting of unpaid

2. PAYMENT SCHEDULE

2.1 Schools charging school fees

- 2.1.1 Non-Section 21 schools must, before 26 February 2010, divide their N&S allocation for the financial year ending 31 March 2011 into the four categories on form WCED 032, namely learning and teaching support materials (LTSM), local purchases, municipal services and maintenance. On receipt of the completed WCED 032 form, the WCED will scrutinize the budgets. Schools will be informed if their forms are not in order so that they can submit revised WCED 032 forms.
- 2.1.2 The transfer payment to all non-Section 21 schools for maintenance, and for municipal services (for those schools who pay their own municipal services accounts), will be paid as follows: 50% of the budgeted amounts will be paid in April/May 2010 and the remaining 50% in November 2010.
- 2.1.3 Section 21 schools will receive their N&S allocation for the 2010/11 financial year in two instalments, namely 60% in April/May 2010 and 40% in November 2010. Section 21 schools must use their first transfer payment (60%), which will be made during April/May 2010, to purchase their 2011 LTSM so that it is available before the end of September 2010, and to pay for other expenses, as stipulated in paragraph 3.1 below. The second transfer payment (40%), which will be made during November 2010, must be used to cover appropriate school-related expenses up to the end of the State's financial year, i.e. 31 March 2011.

2.2 No-fee schools

- 2.2.1 For non-Section 21 schools, 20% of the total N&S allocation, deemed to be the annual income from school fees, will be paid over to the schools in April/May 2010. Schools will be informed of this amount in the N&S allocation letter. It must be borne in mind that this amount must tide the school over until April 2011, when the payment will be received for the next financial year. Non-Section 21 schools must, before 26 February 2010, divide their remaining N&S allocation for the financial year ending 31 March 2011 into the four categories on form WCED 032 (see paragraph 2.1.1 above).
- 2.2.2 Similar to the non-Section 21 schools (see paragraph 2.2.1 above), 20% of the total N&S allocation for Section 21 schools that is paid over in April/May 2010 (see paragraph 2.1.3 above) must be reserved for expenditure previously covered by school fees. The N&S allocation, as mentioned above, must be managed in terms of paragraph 3 below.
- 2.2.3 In addition, the transfer payments to all non-Section 21 schools for maintenance, and for municipal services (for those schools who pay their own municipal accounts), will be paid as follows: 50% of the budgeted amounts will be paid in April/May 2010 and the remaining 50% in November 2010.

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. Own income, as intended in paragraph 5, must first be used to cover shortfalls in the above regard before it is used to finance Governing Body posts.

It is **suggested** that schools divide their available allocation as follows among the various expenditure categories:

- 50% for learning and teaching support material (LTSM) orders for 2011, of which 10% should be targeted for library material. Each learner must have a textbook for each

learning area/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;

- 24% for municipal services. **Schools may budget for a larger percentage if expenditure tendencies necessitate this;**
- 6% for maintenance;
- 20% for local purchases.

3.1.1 Learning and teaching support material (LTSM)

- (a) The national Department of Education (DoE) 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
 - Modules and workbooks;
 - Posters, maps and wall charts;
 - Educational board games;
 - Library material (fiction and non-fiction, reference books, pre-recorded videos, DVDs, audiocassettes, CDs, CD-ROMs, etc.);
 - Computer software and licensing;
 - Resource material for teachers, learners, classroom and library.
- (b) Subject to the following conditions, schools may assign less money to LTSM:
- if each learner in the school has a textbook for each learning area or subject and access to other LTSM resources;
 - if the school has been annually allocating 10% of the LTSM allocation for 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** if 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 IMG manager supports it or not
- (c) **All schools** must adhere to the Preferential Procurement Policy of the province in the spending of their N&S allocations for LTSM. For this purpose, there are two lists of suppliers. List A (the preferential list) represents those suppliers who must be given preference. They are the so-called historically disadvantaged individuals (HDIs) and small, medium and micro enterprises (SMMEs). Schools must buy textbooks and other books to the value of at least 70% of their N&S allocation from the suppliers on List A. LTSM for the balance (30% of the allocation for LTSM) may be bought from suppliers on the List. The latest lists have been provided to schools under cover of separate circulars.
- (d) **How to obtain LTSM**
- Non Section 21 schools must follow the prescribed procedures in Annexure A.
 - Section 21 schools must adhere to the Preferential Procurement Policy in placing their LTSM orders with suppliers registered on the B/WCED 60 contract.
 - Schools must select all FET textbooks from the nationally approved FET

catalogue (refer to [DCF Minute 016/2009](#)). When selecting LTSM for GET or prescribed literature works, schools must follow the guidelines and selection of the WCED Curriculum Directorates. District offices may be contacted should schools require assistance with the choice of LTSM.

- When selecting school library material, schools should contact the EDULIS Co-ordinator: School Library Services for assistance in sourcing and purchasing recommended titles, and also their district school library adviser and/or resource centre co-ordinator regarding the development of their libraries.

3.1.2 Municipal Services

- (a) The N&S allocation to schools is intended for the payment of, amongst others, their monthly municipal services' accounts, e.g. electricity, water, sewerage and refuse removal, 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 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.
- (c) Non-Section 21 schools must calculate, using their past expenditure on these services, 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.
- (d) Schools must still implement, amongst others, the savings measures indicated in [Annexure B](#).
- (e) ESKOM and most municipalities have indicated they can make meters for prepaid electricity available to schools. This will enable schools to control their electricity consumption better.
- (f) Where it comes to the department's attention that schools are not settling municipal accounts, the department reserves the right to withhold funds allocated to those schools to settle their outstanding municipal accounts.

3.1.3 Day-to-day maintenance

- (a) Day-to-day maintenance includes the maintenance of grounds, as well as the maintenance, cleaning, renovation, repair and/or replacement of specific parts of school buildings. If regular maintenance is not carried out, the condition of the buildings will deteriorate to such an extent that expensive emergency repairs will be required.
- (b) Schools must budget for their day-to-day maintenance repairs in accordance with the condition of the school building and grounds. The N&S allocation for day-to-day maintenance may be insufficient. In such cases, schools should supplement the allocation from school funds, where applicable.
- (c) Schools should set aside an amount of 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/bursaries.

3.2 Non-Section 21 schools must indicate the allocations for the maintenance of buildings, grounds

and equipment as a single amount on the WCED 032 form.

- 3.3 The WCED does not accept responsibility for the payment of accounts when schools spend more than the amount allocated to them. Schools will have to cover these costs themselves. If, for any reason whatsoever, non-Section 21 schools exceed their N&S allocations, the WCED will recover any overspending from the following financial year's N&S allocation to the school. This does not mean that the N&S allocations may be exceeded.

4. MAJOR EMERGENCY REPAIRS

In terms of paragraph 97 of the NNSSF, the WCED accepts responsibility for major emergency repairs to buildings, but the Department is limited to the funds available for this purpose. 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 R5 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.

5. OWN INCOME

In terms of Section 36(1) of the South African Schools Act (Act no 84 of 1996) (SASA) as amended, school governing bodies (SGBs) 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. No-fee schools may not charge compulsory school fees (including registration fees). They are, however, encouraged to collect voluntary contributions and to raise funds by way of donations, fund-raising functions, etc.

6. REPORTING

- 6.1 The approved budget of the school must be submitted to the relevant district office by 1 December of each year.
- 6.2 All schools must submit a WCED 043 form (quarterly report) to the relevant district office within 30 days of the end of each quarter (expenditure to 31 March, 30 June, 30 September 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.
- 6.3 In terms of Section 43(5) of the SASA, schools must submit (for attention of the relevant district office director) an audited set of financial statements for the previous financial year by 30 June of each year.

7. FURTHER CONDITIONS

- 7.1 The SGB must exercise proper control over revenue and expenditure as set out in the *Manual: Basic Financial System for Schools*. Should the members of the SGB not have the necessary expertise to carry out this function, they must co-opt someone who will be able to assist them.
- 7.2 All school funds, obtained from both the State allocation and own income, must be used for purposes directly connected with education, as stated in Section 37(6) of SASA, and especially for buying LTSM. In terms of WCED policy, textbooks and readers may not be photocopied, as this amounts to an infringement of the Copyright Act, 1978 (Act 98 of 1978).
- 7.3 The WCED has the right to inspect records relating to school funds and to act against any member of the staff or SGB 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.

8. APPLICATION FOR SECTION 21 STATUS

Applications to change from non-Section 21 status to Section 21 status must be submitted before 20 February 2010 on the attached application form. Successful schools will receive Section 21 status only from the following financial year, i.e. with effect from 1 April 2010.

9. APPEALS**9.1 Learner numbers**

Should the learner enrolment, based on the 2009 10th day survey, increase by more than 7% in the beginning of the new (2010) school year when compared to the 2009 ASS enrolment, the N&S allocations will be adjusted with the growth in excess of the 7%. Revised allocation letters will be sent to schools by March 2010.

9.2 Poverty

The WCED received numerous written and telephonic requests for the revision of the National Quintiles (NQs) of schools based on the unemployment of parents, learners attending schools from poorer areas, non-payment of school fees, etc. In this regard the NNSSF is quite clear that schools (beneficiaries of the allocation) may not be the source of this information, but that StatsSA or similar objective data must be used.

To date, no adjustments could be made to the poverty classification of schools for the reasons submitted by schools. Only in cases where the WCED instructs schools to enrol learners from areas other than the surrounding community due to: (a) inadequate spaces or (b) problems with the quality of teaching may consideration be given to adjusting a school's NQ ranking. Learners that attend a school from outside the community by own choice may not be considered for revision of poverty placement

10. 2009/10 ALLOCATION

The funds allocated to schools in terms of Circular 0034/2008 must be spent by non-Section 21 schools before 31 March 2010. All outstanding WCED 043 forms for Section 21 schools must be submitted before **Friday, 26 February 2010**, to prevent forfeiting of unpaid funds.

11. CONTACT NUMBERS FOR ENQUIRIES

Subject	Name	Telephone
WCED 043 quarterly reports and audited annual financial statements	Education district office - Deputy Director: Corporate Services	Applicable district office
Submission of <u>WCED 032</u> (Classification of N&S allocation)	Ms P Philips	021 900 7062
Purchase of LTSM (<u>WCED 034</u>) and local purchases (<u>WCED 026</u>). All non-Section	Mr B Le Keur Ms P Phillips	021 903 8453 021 900 7062

21 schools		
Transfer payments to schools (N&S allocations)	Ms L Shasha	021 467 2770
	Mr M Draai	021 467 2005
Emergency repairs	Mr B Bougaard	021 467 2132
	Ms V Balfour	021 467 9262
e-Learning EDULIS Coordinator:	Mr O Sadeck	021 467 2351
	Ms T de Young	021 957 9638
School Library Services		
General enquiries	Mr L van Wyk	021 467 2658
	Mr J Kitshoff	021 467 2665
	Mr R Eyssen	021 467 2662

SIGNED: LJ ELY
HEAD: EDUCATION
DATE: 2009:09:17

Grand Central Towers, Lower Parliament Street, Private Bag X9114, Cape Town 8000
Please quote reference numbers in all correspondence
SAFE SCHOOLS: 0800 45 46 47
CLIENT CALL CENTRE: 0861 92 33 22

The following documents relate to this circular. *Adobe Acrobat Reader®* is required to view / print these documents. Click on a title below: the document will open in *Acrobat Reader®* where you can save and/or print a copy. To return to this circular, click on the *WCED Online* logo at the top of the screen.

Government Gazette 29179: Amended National Norms and Standards for School Funding (size: 891 KB)
Annexure A: Procedures for the acquisition of goods and services (size: 31 KB)
Annexure B: Saving measures in respect of municipal services (size: 13 KB)
Application for Article 21 Status (size: 8 KB)

WCED Forms:

The following forms are in **Word®** (".doc") format.
To save a form for later use, click on the "zipped" link below and follow the instructions.
If you have **Word®** installed on this computer, click on the "DOC" link below (the form will open in a separate window: to return to this circular, close that window)

Form WCED 026: Requisition for stores and other requirements ("zipped" version, size: 38 KB)

Form WCED 026: Requisition for stores and other requirements ("DOC" version, size: 76 KB)

Form WCED 032: Allocation for local purchases, municipal services and maintenance ("zipped" version, size: 39 KB)

Form WCED 032: Allocation for local purchases, municipal services and maintenance ("DOC" version, size: 79 KB)

Form WCED 034: Requisition for learning and teaching support material (LTSM) ("zipped" version, size: 8 KB)

Form WCED 034: Requisition for Learning & Teaching Support Material (LTSM) ("DOC" version, size: 48 KB)

The following form is in *Excel*® format.

To save it for later use, click on the "zipped" link below and follow the instructions.

If you have *Excel*® installed on this computer, click on the "XLS" link below (the form will open in a separate window: to return to this circular, close that window)

[Form WCED 043: Quarterly Report](#) ("zipped" version, size: 33 KB)

[Form WCED 043: Quarterly Report](#) ("XLS" version, size: 57 KB)

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