
6. FINANCIAL MATTERS

South African Schools Act, 1996 (Act No 84 of 1996) [\[SASA\]](#) Amended National Norms and Standards for School Funding 6. Fee Exemptions in Public Schools

- 151) The SASA requires the Minister of Education to make regulations about the equitable criteria and procedures for exemption of parents who are unable to pay school fees, and to identify schools that will be no fee schools (Section 39). This section provides the basic principles governing school fee exemptions and the principles and procedures with respect to no fee schools, whilst the regulations, provide details on the exemptions calculations and how the exemptions policy should be implemented.

Introduction

- 152) School fees provide two benefits for the schooling system. Firstly, they provide a mechanism for raising revenue amongst parents who can afford to make this contribution, which in turn provides fiscal space for the state to implement preferential funding for poor schools. Secondly, school fees, even if they are set at a low and nominal level, encourage parent participation in school governance, and promote accountability of schools to the communities they serve.
- 153) School fees must not be allowed to become an obstacle in the schooling process, or a barrier preventing access to schools, especially as far as the most marginalised are concerned. Government believes that in the schools serving the poorest communities, there should be no school fees. Moreover, where schools do charge school fees, proper parent participation in the fee setting process is critical. Effective criteria determining which schools should not charge school fees, as well as an effective exemptions policy to protect those who are less advantaged economically within fee-charging schools, are of utmost importance.
- 154) The amended policy on school fee exemptions, contained in these norms and in the regulations governing fee exemptions, is informed by a rigorous and participatory process of re-assessment of the school fee situation, culminating in Report to the Minister: Review of the financing, resourcing and costs of education in public schools and Plan of Action: Improving access to free and quality basic education for all, both published in 2003 by the DOE. The DOE'S commitment to the global Education for All goals strongly informs this amended policy.

No fee schools

- 155) This sub-section deals with schools that may not levy compulsory school fees, referred to as 'no fee schools' in Section 1 of SASA. No fee schools are an integral part of Government's strategy to alleviate the effects of poverty and redress the imbalances of the past.
- 156) A school is a no fee school, and compulsory school fees may consequently not be charged in the school, if both of the following two criteria apply:
- a) The school has, in terms of paragraph 111, been placed in a national quintile, or in a part of a quintile, that has been identified by the Minister, in terms of paragraph 157 and Section 39(7) of SASA, as being in need of a total prohibition on compulsory school fees.
 - b) The school receives a per learner school allocation, as defined in paragraphs 87 and 113, that is greater than or equal to the no fee threshold for the year in question referred to in paragraph 109. This criterion is aimed at ensuring that a critical level of public funding is reached before private funding in the form of school fees is removed. The per learner school allocation amount that should be compared against the no fee threshold is the amount implicit in the communication made to schools in terms of paragraph 120.
- 157) The Minister shall, terms of Section 39(7) of SASA, annually determine those quintiles or parts of quintiles where, subject to condition (b) in paragraph 156, schools may not implement compulsory school fees in the

following school year. This information should be made public by 1 August of each year, concurrently with the school allocation information referred to in paragraph 118.

- 158) In order for the Minister to make the determination referred to in paragraph 159, whilst applying condition (b) of paragraph 156, MECs must supply certain background information relating to the financing of schools to the Minister in advance. Specifically, MECs must inform the Minister of the school allocation amounts budgeted for in the MTEF budgets by quintile. It should be clear from this information whether the province is able to afford the school allocation targets referred to in paragraph 109. The information should reach the Minister by 15 July.
- 159) The determination by the Minister referred to in paragraph 157 may involve the determination of schools with no fee grades, in other words the removal of compulsory school fees from certain grades only. This provision allows the Minister to take special measures that will support compulsory attendance of seven to fifteen year old learners in terms of Section 3 of SASA. The determination of no fee grades for certain schools will be subject to the condition of adequate state funding referred to in paragraph 156.
- 160) In accordance with Section 39(9) of SASA, MECs must identify which schools qualify as no fee schools, and must determine the details, if any, regarding no fee grades. The details of schools which are identified as no fee schools by the MEC must be submitted to the Minister of Education by 1 September. Details must include, as a minimum, school EMIS numbers, names of schools, and physical addresses of schools.
- 161) In accordance with Section 39(10) of SASA, the Minister must assess the validity of the information on no fee schools submitted by MECs, and must publish a valid list of schools, organised by province, in the Government Gazette. This must occur by 30 September. The list of no fee schools published by the Minister is the definitive list of no fee schools in the country for the following school year.
- 162) In addition to the publication of the list described in paragraph 161, the Minister and MECs must ensure that additional communication strategies are implemented in order to make the identity of no fee schools, and the implications of this to parents, as clear as possible. MECs should ensure that the identity of no fee schools is specified in the provincial Government Gazette referred to in paragraph 120.
- 163) If, in spite of the planning steps outlined in paragraphs 157 and 158, a no fee school does not receive a school allocation that is at least as high as the no fee threshold then, in terms of Section 37(11) of SASA, the school may charge school fees up to an amount equal to the difference between the no fee threshold and the school allocation actually received. The planning process should be sufficiently rigorous to prevent any such contingencies. However, should the funding of no fee schools for some reason not reach the no fee threshold level, it would be important for parents to have a way of dealing with this contingency. Importantly, the school allocation that should be considered the received school allocation, is the sum of any monetary transfer of this allocation, and the monetary value of goods procured by the PED on behalf of the school, in line with paragraphs 134 to 138.

Automatic exemptions for individual learners

- 164) This sub-section deals with instances where the status of the individual learner makes school fees with respect to that learner undesirable, and hence an automatic exemption for that learner a necessity. The provisions in this sub-section apply to all schools charging school fees in terms of SASA Section 40. Should a learner be subject to a no fee situation in terms of paragraphs 155 to 160, then this sub-section becomes redundant.
- 165) An automatic exemption applies to any learner who is an orphan or who has been abandoned by his or her parents.
- 166) An automatic exemption applies to any learner for whom a poverty linked state social grant is paid. A poverty-linked state social grant is any state social grant distributed explicitly to alleviate poverty, and would include all social grants issued on the basis of a means test.
- 167) Details regarding, for instance, the procedures for establishing automatic exemptions, and for nullifying them when the conditions in paragraphs 164 to 166 no longer apply, are explained in the exemptions regulations.

Calculations to determine total and partial exemptions

- 168) Parents may be fully or partially exempted from the payment of school fees, even if they do not qualify for exemptions in terms of the foregoing two sub-sections, it is principally the income of individual parents and

households, relative to school fees and other education expenses that is used to determine eligibility to such total or partial exemptions.

- 169) The formulas for total or partial exemptions, explained in the exemptions regulations, are informed, amongst other things, by two important equity principles:
- Within any school, the income threshold in rands below which parents qualify for total exemption, should be the same for all parents, regardless of the number of learners for which parents have been charged school fees. It must not be possible for there to be two parents within the same school, with the same income, where one parent is fully exempt from school fees whilst the other is not.
 - Within any school, the income threshold in rands below which parents qualify for partial exemption, should depend partly on the number of learners for which parents have been charged school fees. The greater financial burden of having more than one learner for whom school fees are charged, should be recognised, especially insofar as the less advantaged are concerned.

Other types of fee exemptions

- 170) An SGB may grant fee exemptions in addition to the types referred to above, on condition that such exemptions are based on transparent and equitable criteria which take into account the need to alleviate the effects of poverty in the households of the school community.

170A) COMPENSATION FOR FEE EXEMPTIONS

- A PED will determine an allocation for compensation for fee exemption to fee paying schools for each financial year.
- The schools will apply to the Head of Department for compensation not later than 30 June of each year using the application form (**Appendix A**) .. The application form must be completed and be certified by the official school auditor according to the audit guidelines (**Appendix B**). The minimum information to be provided by the school on application will include the name of school; the EMIS number; the physical address of the school; the name and contact details of the person that completed the form; the total number of learners enrolled at school; the list of learners exempted from paying school fees in the previous year indicating the LURITS unique tracking number of each learner.
- The information contained in the application form must be verified by the School Principal before submission and also be signed off by the Chairperson of the SGB, a representative of the school's Finance Committee and the official school Auditor.
- All information received will be subject to a departmental validation process as determined by the PED. If any information is found to have been fraudulently supplied, the applicant school will be subjected to sanction, which sanction may include disciplinary action against the principal who verified the information and/or recovery of any payment made. Late submission (i.e. after 30 June of the year), incomplete information, altered information, incorrect information as well as information submitted in an incorrect format will render the application invalid. The original, completed application form, and not a copy, must be submitted.
- The Head of Department will inform the school of whether they qualify for compensation and, if they do qualify, what the amount of compensation awarded is by no later than 30 September of each year.
- Compensation will be based on the situation at the school in the previous school year, and payment will be made in the new financial year.
- The Provincial Education Department must make transfer payments of compensation for fee exemptions to schools on or before 15 November of the year during which the application is made.
- The table below provides an **example** for calculating the level of compensation per learner based on the fee exemptions granted by the school per learner:

(The Table : "List of learners exempted by the school in the previous year" and "Appendix A" – can be found in [Government Gazette No. 33971](#) dated 28 January 2011)

Appendix B

NATIONAL GUIDELINES FOR THE AUDIT OF APPLICATION FOR COMPENSATION FOR SCHOOL FEES EXEMPTED

- The audit must be completed and certified by the official school auditor, or a person appointed by the governing body in line with Section 43 of the South African Schools Act, before the application is submitted to the Provincial Education Department (PED).

- 2) The application for compensation will be for the previous school year, hence the situation at the school in the previous school year will apply.
- 3) The following documentation must be obtained from the school:
 - i) Final departmental allocation letter to the school for the year of application.
 - ii) Audited financial statements for the year of application.
 - iii) Learner attendance registers and quarterly/annual summaries of registers for the year of application.
 - iv) School admission register/s.
 - v) Snap survey for the year of application.
 - vi) Exemption application forms and documentation in support of application for each exempted learner.
 - vii) Documentation confirming / approving the exemption of each exempted learner.
- 4) The above-mentioned documentation obtained from the school must be used in verification of the correctness of all information provided.
- 5) Where supporting documentation is only available in electronic format, the auditor must request and be given access to the information.
- 6) The auditor must complete and sign the applicable section on the application form.
- 7) Any concerns or non-compliance with regard to the information audited must be reported in the space provided on the application form or on a separately attached note signed by the auditor.
- 8) All non-compliance or incorrect information must be corrected before the application form can be signed off by the auditor.
- 9) Any fraudulent information will lead to the application being disqualified.