Transport Education Training Authority

Driven by Vision

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MANDATORY GRANT POLICY

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REVISED

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DEFINITIONS/GLOSSARY OF TERMS AND ACRONYMS

TERMS / ACRONYMS	DEFINITIONS
AET	Adult Education and Training
ATR	Annual Performance Plan
HRDS	Annual Training Report which must be submitted by an employer to qualify for mandatory grants.
IPAP	Broad Based Black Economic Empowerment (Act)
LEVY-PAYING EMPLOYER	An employer who is compelled to pay skills development levies in terms of section 3(1) of the Skills Development Act.
NLPE	Non-Levy Paying Enterprises
LARGE COMPANY	Company employing 150 or more permanent employees
MEDIUM COMPANY	Company employing 50 – 149 permanent employees
SMALL COMPANY	Company employing 1-49 permanent employees
MANDATORY GRANT	A Mandatory Grant is a grant to all levy-paying organisations in terms of section 3(1) of the Skills Development Levies Act, 1999 upon submission of the Workplace Skills Plan (WSP) and the Annual Training Report (ATR). This amount will be limited to 20%.
NSDP	National Skills Development Plan 2030
PTP	Pivotal Training Plan
PTR	Pivotal Training Report
PIVOTAL	Professional, technical and academic learning programmes that result in qualifications or part qualifications on the National Qualifications Framework. **PIVOTAL Programmes are:** • Learnership Programmes – Employed and Unemployed • Skills Programmes–Employed and Unemployed • Adult Education Training • Internship For N Diploma – Unemployed • Internship Category A • Graduate Internships – Unemployed • Bursaries –Employed and Unemployed **Non- PIVOTAL Programmes within TETA include:** • Career Guidance, Foundational Learning Competence • Sector Conferences, Stakeholder engagements and capacity building • Learning material development • Small business, CBOs, Cooperatives and NGO support • People with disabilities
SBDS	Small Business Development Strategy
SDF	Skills Development Facilitator
SIC	Standard Industrial Classification
SSP	Sector Skills Plan
WSP	Workplace Skills Plan
SDA	Skills Development Act
SDLA	Skills Development Levies Act

1. BACKGROUND

The TETA is committed to driving the National Skills Development Plan (NSDP 2030) and government priorities within the regulatory framework. This is achieved primarily through Mandatory Grants submitted to TETA as prescribed by the SETA Regulations regarding monies received by a SETA and related matters (Government Gazette No 35940). The SETA Grant Regulations also introduced a new percentage breakdown of the allocation of mandatory and discretionary grants and a new type of plan and report, the PIVOTAL plan and report.

In terms of sub regulation 5.2 (e), of the SETA Grant Regulations, TETA has the right to add additional criteria in order to perform its mandate.

2. PURPOSE OF THE POLICY

The purpose of this policy is to create an enabling framework and environment for the application, claiming and disbursement of Mandatory Grant payments by all qualifying TETA levy-paying employers, Public and Private Training Institutions as well as other TETA stakeholders participating in the Mandatory Grant process.

The TETA policy supports government`s national imperatives such as NDP 2030, HRDS, the National Growth Path, the National Skills Accord, White Paper on Post School Education and Training (WP-PSET) and the National Skills Development Plan 2030 outcomes which are addressed in the TETA strategy, Annual Performance Plan (APP) and Sector Skills Plan (SSP). This policy provisions shall be aligned to the TETA financial year, which commences annually on 1 April and ends on 31 March each year.

In summary, the policy seeks to:
(i) Increase sector participation in mandatory grant activity;
(ii) Provide guidelines to TETA and the sector on mandatory grant criteria;
(iii) Maintain a framework within which TETA mandatory grants will be allocated and disbursed;
(iv) Ensure that the information on the WSP/ATR/Pivotal is credible, accurate and valid for Sector Skills Planning (SSP) development.

3. PRINCIPLES OF MANDATORY GRANTS DISBURSEMENT

(i) The policy provides a framework aligned to principles of transparency, fairness and equity contained in Section 2 of the Skills Development Act.
(ii) TETA is required to ensure the payment of Mandatory Grants in accordance with the Skills Development Act, Skills Development Levies Act, Grant Regulations and all other applicable laws.
(iii) TETA is committed to the promotion of NQF registered and quality assured programmes that address 'Hard to Fill' vacancies identified in the TETA Sector Skills Plan.
(iv) TETA aims to improve the quantity and quality and processing of labour market information received from levy-paying employers.
(v) TETA strives to ensure timeous payment of Mandatory Grants to all levy-paying eligible employers who meet the relevant assessment criteria in terms of applicable law.

4. SCOPE OF COVERAGE/ APPLICATION

This policy applies to all levy-paying and non-levy paying employers within TETA gazetted (refer to gazette No 42589) sub-sectors who submit Annexure 2 on an annual basis.

5. MANAGEMENT OF NEW MANDATORY GRANT SUBMISSIONS

(i) The Sector Education Training Authority's (SETAs) Grant Regulations make provision for the submission of Annexure 2 by levy paying employers in order to claim mandatory funding from the SETAs.
(ii) A Mandatory Grant is a grant payable to levy paying companies upon submission of Annexure 2 by 30 April each year.
(iii) Small Levy paying companies are not required to submit a PIVOTAL Plan and PIVOTAL report however are required to submit WSP and ATR each year.
(iv) In terms of section 6(3) of Skills Development Levies Act and Paragraph 4 (4) of the SETA Grant Regulations, the SETA shall pay back 20% of the total levies paid by the employer upon approval of the WSP and ATR.
(v) Payments for Mandatory Grants must be made quarterly, and any Mandatory Grants not claimed in one year will be transferred to the discretionary grant fund reserve by 15th August each year as stipulated in paragraph 4(7) of the SETA Grant Regulations.
(vi) Companies transferring to TETA from another SETA must submit a copy of the previous SETA WSP and ATR submission as well as confirmation of grant acceptance / rejection by the previous SETA. Such a company will be exempted from submitting the previous WSP.

6. ELIGIBILITY CRITERIA FOR MANDATORY GRANTS/ SUBMISSION REQUIREMENTS

A Mandatory grant is payable on condition that the WSP and ATR, are received, assessed, and approved by the TETA Board based on the following criteria stated below:

(i) The organisation should be a TETA registered levy-paying organisation for the financial year commencing 01 April and ending 31 March of the following year. Mandatory grant will not be paid out to non-levy-paying companies however the submitted WSP/ATR will be assessed and approved by the TETA Board provided all the requirements are satisfied.
(ii) The organisation should pay levies through SARS for TETA and be up to-date with payments at the time of application and this exclude companies that are exempted to pay levies to SARS.
(iii) It is the responsibility of the employer to ensure that the payment of the Mandatory Grant is done against the correct levy number and Standard Industrial Classification (SIC) code.
(iv) In terms of section 5 of the Skills Development Levies Act, a newly registered company as per CIPC must submit a WSP within six months of registration. Such an organisation will be exempted from submitting the ATR.

7. CONDITIONS FOR PAYMENT OF MANDATORY GRANTS

(i) All Mandatory Grants must be submitted online in the format prescribed by the Department of Higher Education and Training (DHET).
(ii) The following supporting documents must also be uploaded on to the TETA system as set out in the Mandatory Grant guidelines:

a. Signed minutes of Training Committee meetings for the current year where consultations regarding Annexure 2 were made. The minutes of the meeting should indicate the Committee's approval of the WSP and ATR and indicate the signatories of the WSP and ATR by members of the Training Committee, this must be on the company letterhead. This only applies to organisations employing 50 or more employees.
b. A duly signed authorisation page by all required parties for Medium and Large Companies.
c. A duly signed authorisation page by the SDF and CEO or Managing Director for Small companies.

(iii) The employers retain the responsibility to ensure that payment of the Mandatory Grant is done against the correct levy number and to ensure that TETA is in possession of their correct banking details. Failure to do so will result in the forfeiture of the grant that will be swept into the TETA Discretionary Grant reserves.

(iv) In the case of an employer who has a Recognition Agreement with a trade union (or trade unions), there must be evidence provided that the WSP and ATR have been subjected to consultation with the recognised trade unions and the WSP and ATR must be signed off by the labour representative appointed by the recognised trade union, unless a credible explanation is provided.

(v) Companies must ensure the completeness and accuracy of their submissions as there will be no further opportunities to rectify post the closing date, unless an appeal was made and approved by TETA.

(vi) Failure by a company to submit complete and accurate information shall result in the submission being declared invalid and, therefore, not approved.

(vii) Companies who have defaulted, by not submitting WSP/ATR in the previous year, will have their applications treated as first-time submissions. The WSP and ATR will be assessed based on the set criteria and guidelines.

(viii) In the event the WSP and ATR be approved based on (vii) above, those, the grant will not be payable to the company due to lack of Annual Training Report (ATR) but the status of the application will remain as "Approved not Payable". It is of critical importance for companies to note that "Approved not Payable'' status will not result in a Mandatory Grant payment for that specific year.

(ix) Companies that have transferred from another SETA, and are submitting for the first time with TETA, have to upload the previous year's WSP and ATR that were submitted to the previous SETA, as well as proof of acceptance. These will not be treated as first-time submissions and may be eligible for Mandatory Grant payment if approved.

(x) Payments in respect of Mandatory Grants shall be made quarterly upon approval and verification of the WSP and ATR in accordance with the TETA grant approval procedure and payment schedule.

Electronic signature is permitted on the SDF Appointment Letter, Authorisation Page and Training Committee Minutes. The WSP and ATR may be approved by the Training Committee via round robin or during virtual meetings.

8. ANNUAL TRAINING REPORT

(i) ATR (Previous Year)
The organisation must capture all the training achieved when the online system is opened for the ATR capturing, or alternatively report all quarters together with the ATR on or before 30 April each year. The organisation should then ensure that the planned training report is submitted on or before 30 April each year.

(ii) Annual Training Report Verification
All training reported on the ATR may be subject to verification. TETA validates the report through sampling. If a company or part thereof is sampled by TETA, the company will be required to provide evidence of the training of learners as requested by TETA.

(iii) Monitoring reports

Each Chamber must produce monitoring reports for companies that have been sampled.

9. EXTENSIONS OF DEADLINE FOR SUBMISSION

The submission deadline for mandatory grant applications is 30 of April of each financial year.

(i) In the event an employer fail to comply with the above submission date, a written request on an official letterhead, signed and dated by the duly authorised signatory, with valid reasons and proof where necessary must be submitted to TETA to obtain an extension of the submission deadline.

(ii) An extension up to a period of one month from 30 April of each financial year may be granted by TETA and this is subject to a written request by an employer and approval by TETA Board.

(iii) The written request to obtain an extension of the submission deadline by the employer must be uploaded on the system on a company letterhead on or before 30 April each year.

(iv) The request must provide detailed reasons why the submission deadline could not be met. Upon receipt of the letter, TETA will review the request and the applicant be notified of the outcome. The decision whether to grant the extension and the period allocated for extension is fully within the discretion of the CEO as delegated by TETA Board.

(v) Only mandatory grant applicants who have been granted an extension will have access to the online system to complete their mandatory grant applications within the specified time.

(vi) Newly registered companies may be granted an extension that does not exceed 6 months from the date of registration of a company. Proof of company registration will be required including the request for extension.

10. UNCLAIMED MANDATORY GRANTS

(i) TETA-registered companies who do not participate in the Mandatory Grant by the end of the year under review (31 March) will forfeit such grant.

(ii) Unclaimed Mandatory Grants will automatically be transferred to the Discretionary Grant fund as per section 3.3 of the grant regulations for reallocation into NSDP priority projects (as identified in the Annual Performance Plan (APP) signed with DHET.

(iii) The above condition (ii) does not apply to newly registered companies within six months of registration, if they also submit the WSP and PTP.

(iv) In a case where incorrect or no banking details are reflected on the system, an SDF must provide TETA Finance and the relevant chamber with an electronic copy of the company bank statement.

11 UNSUCCESSFUL MANDATORY GRANT APPLICATIONS

(i) Failure to meet any of the requirements set out in paragraphs 6 and 7 above, or otherwise required by law, will be a basis to decline the mandatory grant application.

(ii) Unsuccessful mandatory grant applicants will be notified in writing.

(iii) Levy-paying companies may appeal the unsuccessful Mandatory Grant application within 15 days of the communication by TETA. Such an appeal must be on a company letterhead, duly signed and uploaded on the system.

(iv) Subject to any internal appeal processes that may be provided for by TETA, the Mandatory Grant allocations of unsuccessful applicants will be transferred to the discretionary grant fund.

(v) TETA is required to transfer unclaimed Mandatory Grants to the Discretionary Grant fund by 15 August each year.

12. ENQUIRIES AND REQUESTS

Unless otherwise indicated in this policy, all correspondence relating to applications for and payment of Mandatory Grants and enquiries can be directed to the relevant chamber: Further enquiries can be directed to the Skills Development and Learning Programmes Manager.

In order to assist with processing of requests and queries, all written correspondence should be clearly marked with the heading "MANDATORY GRANT". In addition, the subject heading or cover letter should readily indicate the issue being raised. TETA will strive to respond to all queries timeously but will not be held responsible for lost or misdirected communications.

13. MANDATORY GRANT PAYMENT SCHEDULE

PLANNED DISBURSEMENT DATES	IN RESPECT OF LEVIES RECEIVED FROM SARS FOR
30 September	1 April to 30 June
31 December	1 July to 30 September
31 March	1 October to 31 December
30 June	1 January to 31March

14. EFFECTIVE DATE

01 April 2024

15. NEXT REVIEW DATE

This policy must be reviewed on an annual basis or:

- when there are substantial changes to Government legislative framework that warrants amendment;
- when there are structural changes in the Sector;
- when there are changes in the TETA strategy;
- when the TETA Board deems it necessary to change the policy.

Approval of this policy

Mrs Maphefo Anno-Frempong

TETA Chief Executive Officer

This policy was approved by the Accounting Authority.

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