



LIMPOPO


PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF
EDUCATION

Directives for the management and administration of school funds in
public schools in Limpopo Province

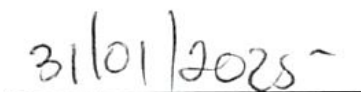
Directives for the management and administration of school funds in public schools.

I, the Head of Department (HOD) responsible for provincial education in Limpopo have developed directives for the management and administration of school funds in public schools in terms of section 37(1) of the South African Schools Act, 1996 Act No. 84 of 1996 as amended, which mandates public schools to establish a school fund and administer it in accordance with directions issued by the Head of Department.



Mashaba KM

Acting Head of Department



Date

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Definitions, and Acronyms

Definitions

“**School Governing Body**” means a School Governing Body (SGB) as contemplated in section 16(1) of South African Schools Act (Act No 84 of 1996);

“**School Fund**” means all monies lawfully received by a public school irrespective of the source as contemplated in **section 37** of the Schools Act;

“**Public School**” means a school contemplated in **chapter 3 section 12(3)** of South African Schools Act 84 of 1996 as amended;

“**MEC**” means Member of Executive Council for Education in the Limpopo Province

“**Fund raising**” means a process of soliciting and gathering contribution in money or other resources to augment resources of the school.

“**Head of Department**” (HOD) means Superintendent General, as the Principal Accounting Officer and Head of Department for Education in the Limpopo Province vested with powers and duties in terms of South African Schools Act, Public Finance Management Act and other related laws pertaining to Education in the Limpopo Province.

“**Principal**” means an educator appointed or acting as the head of a school.

“**No-fee schools**” means schools that will not be allowed to charge compulsory school fees.

“**School fees**” means school fees as contemplated in **section 39** of the South African Schools Act (Act No. 84 of 1996 as amended) and includes any form of contribution of a monetary nature made or paid by a person or body in relation to the attendance or participation by a learner in any programme of a public school.

“**Indicative allocations**” means an indication of the amount to be transferred to schools in terms of the Norms and Standards for School Funding.

Acronyms

BELA: Basic Education Law Amendment Act 32 of 2024

CIPC: Companies and Intellectual Property Commission

EFT: Electronic Funds Transfer

FinCom: Finance Committee

HOD: Head of Department

IRBA: Independent Regulatory Board for Auditors

LDoE: Limpopo Department of Education

LTSM: Learner, Teacher Support Material

MEC: Member of Executive Council for Education

NNSSF: National Norms and Standards for School Funding

NSNP: National School Nutrition Programme

PED: Provincial Education Department

PRECCA: Prevention and Combating of Corrupt Activities Act, 12 of 2004

PSIRA: Private Security Industry Regulatory Authority

SASA: South African Schools Act 84 of 1996 as amended

SA-SAMS: South African Schools Administration Management System

SGB: School Governing Body

Executive summary

The purpose of this directives is to provide information to public schools in the Limpopo Province on how to manage and administer school funds. This document is specific to the use of National Norms and Standard funds allocated by the state and school fees received from the learners' parents. The directives excluded monies bequeathed to or received in trust by a public school which must be applied in accordance with the conditions of such donation, bequest or trust.

Directives for the management of school funds in public schools

1.1 Introduction

The promulgation of the South African Schools Act (SASA), 1996, (Act 84 of 1996), mandates the Limpopo Department of Education through its Head of Department to develop directives for the administration of school funds.

In terms of Section 37 (1) of SASA, the Head of Department must issue directives for the administration of school funds by School Governing Bodies notwithstanding their juristic personality and their legal capacity to perform functions according to SASA.

1.2 The purpose of the directives

The purpose of these directives is to provide a common understanding of the roles, responsibilities and requirements of the SGB and its subsidiary committees on the administration of funds received from the state, parents and voluntary donors and through fundraising as spelled out in SASA and further explicated in the National Norms and Standards for School Funding policy and other applicable legislations.

1.3 Legislative Framework.

1.3.1 Constitution of the Republic of South Africa Act 108 of 1996 as amended

1.3.2 The South African Schools Act 84 of 1996 as Amended (SASA)

1.3.3 Amended National Norms and Standards for School Funding, 2006 (NSSF).

1.3.4 Directives for the management and administration of school funds in public schools in Limpopo Province.

1.3.5 Basic Education Law Amendment Act 32 of 2024.

1.3.6 Any other applicable law.

2. Responsibility of the State

2.1 The state through the provincial governments has a responsibility to fund public schools from public revenue equitably.

2.2 The provincial education departments must on an annual basis provide public schools with indicative budget allocations to enable them to prepare their annual budget for the following school financial year.

2.3 Indicative allocation letters shall be provided to schools by not later than **30 September** of each year.

2.4 Final allocation letters shall be made available to the schools by **30 April** of each year.

3. Responsibility of the School Governing Bodies (SGBs)

3.1 The powers of the SGB are broadly set out in **section 20** of the South African Schools Act No 84 of 1996 (SASA). The Department is at present providing the following resources to schools: human resources, financial resources (funds as per school funding norms), learner teacher support materials (LTSM), furniture and infrastructure. Budget template makes provision for different fundraising activities to supplement revenue.

3.2 What SGB must do in terms of the SASA

3.2.1. The SGB has a responsibility to make all reasonable efforts within its means to augment/supplement the resources supplied by the provincial education department in order to improve the quality of education at the school, e.g. donations, fundraising. (SASA 36(1)).

3.2.2 Despite having to supplement the resources, a governing body may not without the written approval of the Head of Department enter into any loan, lease or overdraft agreement.

3.2.3. May, burden, convert or alter immovable property of the *school* to provide for *school activities* or to supplement the *school* fund or lease such property for such purpose: Provided that such approval is not required for a lease of a period not exceeding 12 months and allow any person to conduct any business on *school*

property to supplement the school fund on approval by the MEC. (SASA 36(4)(a)) (BELA 26)

- 3.2.4. Establish a school fund and administer it in accordance with directives issued by the Head of Department (SASA 37(1)) (BELA 27).
- 3.2.5. Ensure that all money received by a public-school including school fees and voluntary contributions must be paid into the school fund (SASA Section 37(2)).
- 3.2.6. Open and maintain one banking account. (SASA Sec 37(3)).
- 3.2.7 May invest surplus money in another account with the approval of the MEC (SASA Sec 37(3)).
- 3.2.8. Ensure that money or other goods donated or bequeathed to or received in trust by a public school must be applied in accordance with the conditions of such donation, bequest or trust (SASA Sec 37(4)).
- 3.2.9. Ensure that the school fund, all proceeds thereof and any other assets of the public school must be used only for educational purposes for the school or another school as agreed with such other school and the Department of Education or the performance of the functions of the governing body (SASA Sec 37(6)).
- 3.2.10. Prepare a budget each year according to prescriptions determined by the Member of the Executive Council in a Provincial Gazette, which shows the estimated income and expenditure of the school for the following financial year. (SASA 38(1))
- 3.2.11. As soon as practicable, but not later than three months after the end of each financial year, draw up annual financial statements in accordance with the guidelines determined by the Member of the Executive Council (SASA Sec 42(b)).
- 3.2.12. Submit to the Head of Department, within six months after the end of each financial year, a copy of the annual financial statements, audited or examined (SASA Sec 43(5)).
- 3.2.13. In terms of Section 30 of SASA, the SGB may establish committees such as an executive committee, finance committee, fundraising committee, etc., depending on the needs of the school.
- 3.2.14 For engaging in commercial activities for fundraising, the SGB shall first consider the enabling Acts and all relevant legislation.
- 3.2.15 The deliberation and execution of SGB responsibilities shall be documented i.e. minutes of all meetings to be readily available.
- 3.2.16 The SGB and Finance Committee (FinCom) shall meet once per month to effectively execute its responsibilities.

3.3 What the SGB cannot do in terms of the SASA.

3.3.1. Allow for a member of the governing body to be remunerated in any way for the performance of his or her duties or *for the attendance of meetings and school activities* (SASA Sec 27(2)). However necessary expenses incurred by a member of a governing body in the performance of his or her duties may be reimbursed by the governing body (SASA Sec 27(1)).

BELA Act amendments: subs.2 stipulates that “No member of a governing body may be remunerated in any way for the performance of his or her duties or for the attendance of meetings and school activities.”

3.3.2. Enter into any loan agreement to supplement the school fund, without the written approval of the Member of the Executive Council (SASA Sec 36(2)).

3.3.3. Invest surplus money in another account without the approval of the Member of the Executive Council (SASA Sec 37(3)).

3.3.4. Allow money from the school fund of a public school to be paid into a trust or be used to establish a trust (SASA Sec 37(7)(a)).

3.3.5. Pay or give to a state employee remuneration, other financial benefit and benefit in kind without the prior approval of the employer (SASA Sec 38A (1)).

(i) However, the governing body may pay travel and subsistence expenses relating to official school activities, such expenses may not be greater than those that would be payable to a public servant in similar circumstances (SASA Sec 38A (5)) as such governing body may have a fixed rate and not go beyond the government monthly tariffs.

(ii) If a governing body pays remuneration or gives any financial benefit or benefit in kind contemplated in section 38A (1) to an employee without prior approval of the employer, the amount of money paid, or benefit given must be recovered by the employer on behalf of the school from members of the governing body who took that decision (SASA Sec 38A (9)).

(iii) Appoint a person who has financial interest in the affairs of the public school to audit or examine the financial statements of the school.

3.4 What SGBs cannot do in terms of the NNSSF as amended.

3.4.1 SGB members may not be exempted from paying school fees on the basis of their membership and any other finance related activities unless they qualify.

4. School Funds of Public Schools

4.1 Establishment of School Funds

4.1.1 All monies received by a public-school form part of that school's revenue and must therefore be recorded as such.

4.1.2 The SGB must establish and administer a school fund.

4.1.3 Any school fund established and maintained by the SGB, school trust committee or any other committee before the date of coming into operation of these Directives, must be deemed to be a school fund established in terms of these Directives. However, if the banking account is not a current account, the account must be closed, and one current account be opened.

4.1.4 Schools shall maintain one bank account for all activities, with the exception of schools with hostels and National Schools Nutrition Programme (NSNP), where separate accounts may be maintained.

4.2 Finance committee (FinCom) and appointment of a finance officer.

4.2.1 A FinCom must be established in terms of section 30 of SASA, with the following as members:

- (i) Principal
- (ii) SGB Deputy Chairperson
- (iii) Treasurer
- (iv) Third signatory
- (v) Finance officer
- (vi) Co-opted member with financial expertise.

The recommendations of the FinCom shall be ratified by the SGB.

4.2.2. The possible duties of the financial committee will be the following:

- (i) Support the treasurer in administration of his/her duties;
- (ii) Develop a finance policy ratified by the circuit manager and administer it;
- (iii) Draw up and manage the budget each year with consultation with the SGB.
- (iv) Ensure that all procurement is done through admissible procurement processes.
- (v) Advise on fundraising
- (vi) Advise on ways to invest surplus money
- (vii) Advise the SGB on the amount of the school fees to be charged
- (viii) Advise SGBs on the exemptions from school fees
- (ix) Assist the financial officer in drawing up the annual financial statements, and

(x) suggest who shall be appointed as auditor/reviewer.

- 4.2.3 The principal in consultation with the SGB must in writing appoint a permanently state appointed administrative officer (non-educator at the school) to keep the financial records of the school and the finance officer must accept the appointment in writing. If the school does not have an administrative officer, an educator with a financial background, who is not an elected SGB member, may be delegated in writing to keep the financial records of the school and the delegated educator must accept in writing. The term of office of the Finance Officer shall be 3 years and shall be in line with the term of office of the SGB.
- 4.2.4 The person referred to above will be known as the Finance Officer. The Finance Officer and the Treasurer shall not be the same person.
- 4.2.5 The delegation of responsibility to the Finance Officer shall be **made in writing** and shall clearly indicate his/her duties and these duties shall be reviewed on a regular basis.
- 4.2.6 All school transactions must be administered on one school gadget with one app, signatories are prohibited from having apps on their personal gadgets. All transactions must be approved by the SGB. The authorisation process for payment releases requires the signatures of the three designated signatories. The treasurer and the deputy chairperson must always be considered as the primary signatories for payments release and the third signatories shall only be considered if either the treasurer or deputy chairperson is unavailable, and the unavailable signatory has been duly notified. A gadget solely procured for school financial transactions shall be kept safe by the principal.

5. Source of School Funds and Revenue

- 5.1 The school revenue may take one or more of the following forms:
- 5.1.1 Income from school fees.
 - 5.1.2 Hostel fees (kept in a separate bank account)
 - 5.1.3 Revenue from fundraising activities
 - 5.1.4 Government allocations
 - 5.1.5 Donations and grants
 - 5.1.6 Investment (provided permission is granted)

5.2 The use of school funds in public schools (Quintile 1-5)

Public schools (Quintile 1-5) may use school funds for:

- 5.2.1 Educational purposes at or in connection with such school.
- 5.2.2 Educational purposes at or in connection with another public school. There shall however be an agreement between the two schools and permission shall be obtained from the Head of Department.
- 5.2.3 Performance of the SGB functions.
- 5.2.4 Educational purposes agreed to between the SGB and the Head of Department.
- 5.2.5 Payment of expenses towards repairs and maintenance of school property.
- 5.2.6 Procurement of PSIRA accredited security services.
- 5.2.7 Schools must, in writing, notify the department of such procurement of PSIRA accredited security services.
- 5.2.8 Payment of services related to the running of the school.
- 5.2.9 Payments towards improvement of safety and security measures for schools as contemplated in SASA (as amended) and Occupational Health and Safety Act.
- 5.2.10 **Top up LTSM:** For example, textbooks, computers, computer software, computer hardware, readers, reference books, atlases, dictionaries, workbooks, charts, models, posters, maps, televisions, video recorders, video tapes, home economics equipment, science laboratory equipment, musical instruments, etc.
- 5.2.11 **Non-LTSM equipment:** For example, top up learners desks, top up chairs, office furniture, photocopying paper, copying machines, telephones sets, fax machines, intercom systems, equipment for internet connectivity in schools, hardware tools, cleaning equipment, first aid kit, protective clothing for cleaners, sporting equipment, electrical accessories, cleaning material, etc.
- 5.2.12 **Reimbursement:** School allocations may be used to reimburse SGB members who incur costs in the performance of their SGB activities or while they are accompanying learners on a school trip/excursion.
- 5.2.13 **Affiliations:** Schools may pay affiliation to professional, educational and governing bodies associations.
- 5.2.14. **Educational excursions** may be subsidised on approval by HOD.
- 5.2.15. **Extra and co-curricular activities:** Schools may pay directly into the service provider's account for all activities at circuit level and all activities at district level.

6 What state allocations (NSSF) cannot be used for:

- 6.1 Remuneration of SGB employed personnel.
- 6.2 Erection of new buildings (Capital Projects)
- 6.3 Loans to individuals or other institutions
- 6.4 Hostel expenditure (where the hostels are managed by SGBs)
- 6.5 Subsidising of school trips, matric dances and farewell functions

7 Section 21 functions

- 7.1 A SGB having the necessary capacity to govern the school may apply for functions in terms of section 21 of South African Schools Act 84 of 1996. These functions are as follows:
- 7.1.1 To maintain and improve the school's property, buildings, and grounds occupied by the school, including school hostels, where applicable.
 - 7.1.2 To determine the extra-mural curriculum of the school and the choice of subject options in terms of Provincial Curriculum Policy
 - 7.1.3 To purchase textbooks, educational materials or equipment for the school
 - 7.1.4 To pay for services to the school e.g. water, electricity and telephone.
 - 7.1.5 Other functions consistent with this Act, or any applicable Provincial law.
 - 7.1.6 All public ordinary schools declared as: "No fee schools" are only allocated section 21 (1) (a) and (1) (d).
 - 7.1.7 Schools that are interested in acquiring additional section 21 functions may apply on the official forms available at District offices.
 - 7.1.8 The Head of Department may, on reasonable grounds, withdraw one or more functions of a governing body and appoint sufficiently qualified persons to perform the withdrawn function or functions, as the case may be, for a period not exceeding three months. **(Sec. 22 of SASA as amended by the BELA).**
 - 7.1.9 If these functions are withdrawn, the school's status changes and becomes a non-section 21 school and will be afforded a paper budget which implies that all procurement and payments will be done by the sufficiently qualified persons on behalf of the school.

7.2 Norms and Standard allocations

7.2.1 All public schools which have been declared as “No fee schools” must not charge mandatory fees as defined in the Act (SASA) as amended.

7.2.2 The minimum standard requirement for the distribution of the norms and standards funds allocations to schools shall be as follows:

7.2.2.1 Curriculum shall be allocated 50% of the total allocation.

7.2.2.2 Governance activities shall be allocated 10% of the total allocation.

7.2.2.3 Administrative expenses shall be allocated a minimum of 17% of the total allocation

7.2.2.4 Sports shall be allocated 10% of the total allocation.

7.2.2.5 General transport shall be allocated 5% of the total allocation and

7.2.2.6 The remaining 8% shall be allocated to ablution facilities.

8 Administration of school fund

8.1 Administrative functions of finance officer.

Financial officer must:

8.1.1 Maintain cashbook of the school.

8.1.2 Do monthly bank reconciliation statements.

8.1.3 Ensure completion of monthly and quarterly reports.

8.1.4 Compile annual financial statements

8.1.5 Perform any other delegated tasks as required by the FinCom.

8.1.6 Issue a receipt immediately after receiving money.

8.1.7 Only issue a new receipt book when the old one has been used up.

8.1.8 Make out receipts in their serial number order. (No alterations to the name or amount in words or figure shall be made).

8.1.9 Keep copies of all receipts issued.

Cancel any receipt form on which a mistake is made and sign it. Insert a date on the receipt itself and append a signature. The cancelled receipt shall be retained in the receipt book and a new receipt shall be issued.

8.1.10 Schools shall utilise preprinted receipt book or computerised receipt bearing the name of the school and approved by the relevant Circuits or preprinted Governmental receipt book appended with the school stamp.

8.1.11 Record all monies received in the cash book daily.

- 8.1.12 Record serial numbers of all receipt books in a reserve stock register and or distribution register.
- 8.1.13 Obtain signatures of all persons to whom receipt fund books are issued.
- 8.1.14 The principal in consultation with SGB must delegate an Officer in writing to keep and maintain a record of all Receipt books in a Reserve Stock or Distribution Register. Such officer must be a different officer from the one issuing receipts and banking school funds. The delegation of responsibility to the Officer shall be **made in writing** and shall clearly indicate his/her duties.

8.2 Collection of school funds by educators

- 8.2.1 Where educators are required to collect school fees from learners, they must (for that purpose) keep a school fund register as part of the class register reflecting each learner and amount paid.
- 8.2.2 The principal must ensure that each class educator is issued with a receipt book for the purpose of collection of fees. Such an educator must be provided with a written delegation to handle monies as contemplated in these directives.
- 8.2.3 Such an educator must issue out receipts for all monies received. He/she must in turn obtain a receipt when paying over the monies to the Finance Officer. This must be done daily.
- 8.2.4 All financial books must be kept in a safe or strong room in the principal's office.
- 8.2.5 It is the responsibility of the principal to ensure that the directives are adhered to at all times.

8.3 Direct deposit of school fees into school bank account

- 8.3.1 The SGB may allow parents to deposit school fees into the banking account of the school.
- 8.3.2 Direct depositing of school fees in current account may not replace cash payment of fees at the school.
- 8.3.3 All direct deposit payments shall be supported by documentation from the parents.
- 8.3.4 A separate receipt book shall be utilized to account for direct deposits.
- 8.3.5 Receipts shall be issued to the parent for direct deposits received.
- 8.3.6 The deposit documentation shall be retained in the receipt book to support the receipt.

8.3.7 The onus of providing proof of payment lies with the parent in case of dispute where school fee was paid directly into the school's current account. However, the school must assist the parent to verify whether the payment has been directly deposited or not.

8.3.8 The Finance Officer must do reconciliation of the bank statement and receipts issued for direct deposits monthly.

8.4 Banking of school fund

8.4.1 The account must be opened in the name of the school and all monies received must be deposited into it.

8.4.2 The SGB may deposit funds, which are not immediately required, in a fixed deposit account with a registered financial institution in the name of the school only after obtaining written permission from the MEC.

8.4.3 The principal must ensure that all funds received are banked on the date of receipt of funds where possible, provided that banking is at least done on a weekly basis.

8.4.4 Schools shall safeguard any unbanked money in a safe under lock and key.

8.5 Withdrawals from school funds

8.5.1 The SGB Treasurer, the SGB Deputy Chairperson and a third member shall be the only people to load and authorise payments.

8.5.2 Under **no circumstances** shall the school principal, the SGB chairperson and the finance officer be appointed to carry out this responsibility.

8.5.3 Any payment authorised in terms of paragraph 8.5.1 above without prior approval by the principal and the SGB chairperson constitutes negligence punishable by law.

8.5.4 The principal and the SGB treasurer shall receive notification of transactions.

8.5.5 Any exchange of transacting roles by commission or omission constitutes fraudulent misrepresentation and governors involved incur a criminal liability.

8.5.6 The school principal or his/her delegate and the SGB chairperson shall approve payments through appending their signatures on the requisition book. No payment shall be made without such approval. The principal's claims must be approved by the circuit manager.

- 8.5.7 Official claim forms (PED 016) shall be fully completed and all other relevant documents such as original invoices, adjudicated procurement documents and delivery notes, shall be prepared before electronic funds transfer (EFT) is made.
- 8.5.8 A school account must never be overdrawn.
- 8.5.9 Under **no circumstances** shall advance payments be made from school funds.
- 8.5.10 No loans shall be granted to any person from school funds.
- 8.5.11 Expenditure may only be made from the school fund if provided for in the approved annual budget.
- 8.5.12 Expenditure unforeseen in the annual budget shall first be discussed by the SGB and then be ratified by the parents' general meeting before it can be effected.
- 8.5.13 No person(s) shall condone or connive in any activity, which has the effect of financially compromising the school.
- 8.5.14 All withdrawals shall be substantiated by an approved payment voucher with adequate documentation (original invoice, adjudicated procurement documents and delivery notes).
- 8.5.15 All payment shall be made through the bank's Electronic Fund Transfer (EFT) App mode and the Department allows no deviation. Bank cards are strictly prohibited (pre-funded cards, credit cards, petrol cards, debit cards)

8.6 Procurement processes

- 8.6.1 The FinCom must serve as a bid adjudication committee and recommend the appointment of service providers.
- 8.6.2 All procurement must be done on a minimum of 3 quotation basis. In the case where the school is unable to obtain 3 quotations, the SGB shall obtain prior permission from the Circuit Manager to deviate from 3 quotations requirement.
- 8.6.3 Factors of price, quality and guarantee shall be considered during the adjudication process.
- 8.6.4 The recommendation in 8.6.1 must be presented to the SGB for approval, acceptance and appointment. The service provider must be appointed in writing.
- 8.6.5 Schools are restricted from making advance payments. Payments are to be made after a complete service is rendered or goods supplied.
- 8.6.6 Service providers shall be paid within 30 days of receipt of invoice.
- 8.6.7 Schools are encouraged to use the Departmental database or must develop their own database of suppliers on a rotational basis.

- 8.6.8 Proper secretariat shall be provided, and minutes be made available.
- 8.6.9 Bid applications shall be submitted on open tender and the adjudication process shall be done by the Fin Com.
- 8.6.10 All claims by the principal against the school fund must be approved by the circuit manager and the SGB chairperson.
- 8.6.11 The circuit manager must approve all procurement on expenditure from R30, 000 to R99 999 to ensure compliance with the applicable directives. Applications thereof shall include minutes of the adjudication process, three quotations, copy of the annual budget, recent bank statement.
- 8.6.12 All procurement on expenditure from R100 000 to R999 999 must be approved by the District Director. Applications thereof shall include minutes of the adjudication process, advertisement of the project or tender, copy of the annual budget, recent bank statement and all bid applications received by the SGB.
- 8.6.13 All procurement on expenditure from R1 000 000 shall be approved by the HOD. Applications thereof shall include minutes of the adjudication process, advertisement of the project or tender, copy of the annual budget, recent bank statement and all bid applications received by the SGB.
- 8.6.14 Under **no circumstances** may quotes be subdivided to circumvent the above-mentioned threshold.

8.7 Control and monitoring of school funds

The SGB must:

- 8.7.1 Receive at each SGB meeting the latest report.
- 8.7.2 Inspect supporting vouchers to ensure that they are in line with all directives or other Departmental directives.
- 8.7.3 Satisfy itself that expenditure is in accordance with the approved budget and directives.
- 8.7.4 Monthly expenditure and a financial report for the period against budget (difference between the actual and budgeted amount) shall be reported to the FinCom and SGB on monthly basis.
- 8.7.5 Quarterly reports shall be submitted within 30 days after the end of each quarter to the HOD. (BELA 32(5)(a))

8.8 Financial record keeping

All Hard Copies of schools' financial records shall be supported by SA-SAMS soft copies and therefore, Finance officers shall work closely with EMIS officers, timeously recording transactions as and when they occur.

The Finance Officer shall:

- 8.8.1 Promptly record all the transactions in the relevant Journals.
- 8.8.2 Simultaneously record, with the assistance of an EMIS officer, corresponding entries of the transactions mentioned in paragraph 8.8.1 in the SA-SAMS financial records.
- 8.8.3 Keep proper documentation reflecting the name of payee, amount to be paid and the nature of the goods supplied, or services rendered.
- 8.8.4 Keep the vouchers safe for audit purposes. Sharing of safes or strong rooms is not permitted, but if circumstances necessitate such sharing, arrangements in writing to the SGB shall be made to ensure that responsibility is given to the Finance Officer.
- 8.8.5 Present all payments and supporting vouchers at the next FinCom meeting.
- 8.8.6 Prepare monthly bank reconciliations.
- 8.8.7 Develop a filing and recordkeeping system.
- 8.8.8 Provide secretariat for the Fin Com.
- 8.8.9 Keep an updated commitment register. (Head Office shall provide a copy)
- 8.8.10 Keep the imprest amount in the safe at the beginning of the month.
- 8.8.11 Make out payments from petty cash upon submission of authorised supporting documents.
- 8.8.12 File all supporting documents in file(s) specifically reserved for such purposes.
- 8.8.13 Restore the imprest amount at the end of each month.
- 8.8.14 Record all petty cash movements in the Petty Cash Journal and post to the General Ledger accounts.
- 8.8.15 Reconciliation of Petty Cash vouchers to be done monthly before the float amount is restored.
- 8.8.16 The hard copies of financial records kept by the finance officer shall always correspond with the SA-SAMS soft copies of financial records kept by the EMIS officer.

9 Collection of School Fees

9.1 Levying of school fees at public schools except no fee schools

- 9.1.1 The decision to charge school fees and the determination of the amount to be charged rests with parents and, such a decision shall be taken at a general meeting of parents.
- 9.1.2 If a resolution to charge school fees is adopted by a majority of parents, the amount of fees to be charged shall also be agreed upon and minutes of that parents meeting shall be kept.
- 9.1.3 Parents who cannot afford to pay school fees have a right to apply for exemption using a prescribed application form, which is obtainable from schools.
- 9.1.4 Automatic exemptions shall be considered in terms of paragraph 165 and 166 of the National Norms and Standards for School Funding as amended which stipulate as follows:
 - 9.1.4.1 Paragraph 165: “An automatic exemption applies to any learner who is an orphan or who has been abandoned by his or her parents”.
 - 9.1.4.2 Paragraph 166: “An automatic exemption applies to any learner for whom a poverty-linked state social grant is paid”.
 - 9.1.4.3 Only schools in Quintiles 4 and 5 are allowed to charge school fees.

9.2 Parents' liability for payment of school fees

- 9.2.1 A parent has a legal duty to pay school fees as determined by a parents' general meeting as contemplated in paragraph 9.1.1 above except if he/she has been granted fee exemption.
- 9.2.2 No learner shall be denied admission, the right to learn or a progress report in a public school because his/her parents are unable to pay school fees.
- 9.2.3 A parent who is denied exemption by SGB has a right to appeal within 30 days of receiving a response from the SGB.
- 9.2.4 The letter of appeal shall be directed to the Circuit Manager.
- 9.2.5 The Head of Department may, depending on the reasons stated, over-rule the SGB's decision not to grant the exemption.

9.3 Enforcement of payment of school fees

- 9.3.1 The SGB may, by due process of law, enforce the payment of school fees by parents who are liable to pay. Special conditions as contemplated in the SASA as amended shall also be adhered to.
- 9.3.2 The SGB shall use the best legal route for recovering outstanding school fees; but no learner may be deprived his/her right to participate in all aspects of the programme of a public school despite non-payment of school fees by his/her parents and may not be victimised in any manner.
- 9.3.3 Learners may not be denied his/her progress report or transfer certificate and learner support materials because his/her parents failed to pay school fees.

10 Financial Records and Statements of Public Schools

The SGB of a public school shall:

- 10.1.1 Draw up annual financial statements reflecting all the investments, donations and funds received in accordance with the guidelines determined by the Member of the Executive Council. (BELA 31 (a))
- 10.1.2 Keep records of all investments, donations and funds received and spent by public schools (BELA 31 (b))
- 10.1.3 Keep records of assets, liabilities, and financial transactions and, draw up annual financial statements and budget documentations.
- 10.1.4 Present annual financial statements (Income Statement, Balance Sheet and Cash Flow Statement) to the parents meeting not later than 31 March the following year.
- 10.1.5 Inform the parents that the financial records and statements will be available for inspection at the school at least 14 days prior to the meeting referred to in paragraph 10.1.4. (BELA 31 (d))
- 10.1.6 Submit a copy of the audited financial statement to the Head of Department on or before 30 June of each year.
- 10.1.7 Annual financial statement as per SASA, 84, 1996 (42) (b), shall be as per the annexure (provided by the provincial head office)

10.2 Recording of financial transaction in cash book/journal The

SGB must ensure that:

- 10.2.1 Receipts are issued for all monies received by the school;

10.2.2 All income and expenditure is recorded and accounted for;

10.2.3 All records pertaining to the financial matters of the school and the decisions of the governing body pertaining thereto are kept in safe custody for at least five years. These Directives and other Departmental directives pertaining to the finances of the public school are being adhered to at all times.

10.2.4 The Head of Department may give written authority for deviations from these directives.

10.2.5 Schools are encouraged to make use of computerised accounting systems e.g. financial module in SA-SAMS.

10.3 Petty cash

10.3.1 In case a school keeps petty cash, it becomes the function of the finance officer.

10.3.2 Despite the fact that in principle all payments shall be made through EFT, it may not be cost effective to use same for small or petty amounts. Schools may therefore administer petty cash.

10.3.3 The maximum amount of petty cash per month a school may keep is R1 500. Schools which need to keep an amount higher than R1 500 must obtain written permission from the Head of Department.

10.3.4 The SGB shall determine the imprest amount. Schools may only use the imprest system.

10.3.5 Under no circumstances may cash received be used as petty cash.

10.3.6 The Petty Cash amount may only be drawn from the bank by electronic transfer.

10.3.7 The payment/transfer shall be through cash-send/e-wallet to the principal's contact number.

10.3.8 No unauthorised Petty cash payments may be made.

10.4 Stock Item Registers / Asset Registers

10.4.1 The principal must in consultation with the SGB appoint an Asset Management Officer in writing, whose term of office will be 03 years in line with that of the SGB.

The following items shall be kept in the asset register:

10.4.1.1 All assets purchased from school funds,

10.4.1.2 All assets donated to the school or purchased from funds donated to the school,
and

- 10.4.1.3 All assets provided by Department of Education e.g. Computers, School furniture.
- 10.4.1.4 A separate asset register to record consumable items (Head Office must provide Asset Register for consumable items)
- 10.4.1.5 The principal shall ensure that all assets are properly marked and will also act as the administrator of all the schools' assets.
- 10.4.2 The Asset Management Officer must ensure that stock-taking is conducted and recorded quarterly.
- 10.4.3 Redundant assets due for disposal shall be communicated to the District office and disposed of in terms of Departmental processes.
- 10.4.4 All assets acquired by the school remain the property of the school.

10.4.2 Annual Budget of Public School

- 10.4.2.1 The SGB shall, within its first year of election, develop a 3-year School Development Plan, in line with its term of office and shall be ratified by the parents in a formal meeting and be approved by the Circuit Manager.
 - 10.4.2.2 The SGB must present the budget to a general meeting of parents for consideration and approval by a majority of parents present and with voting powers. This budget shall be accompanied by a list of learners exempted from paying school fees.
 - 10.4.3 The proceedings of the meeting and the number of votes obtained on each motion, shall be recorded in the minutes.
 - 10.4.4 Supporting resolutions register shall be kept for triangulation with votes recorded against each motion in the minutes.
 - 10.4.5 An attendance register signed by each parent who attended the meeting must be attached to the minutes.
 - 10.4.6 Parents shall be given at least 30 days' notice before the date of the said general meeting. When notice is given to parents the budget with the document explaining the budget must be made available by use of existing communications of the school. (BELA 28 (3)(a))
 - 10.4.7 The parents must be informed that the document and the budget will be available for inspection at the school at least 14 days prior to the meeting. (b)
 - 10.4.8 Deviations from the approved budgets are subject to SGB approval. If the deviation will be 10 percent or more of the initial budget; or reallocate funds for use for a
- Directives for the management and administration of funds in public schools in Limpopo Province**
-

purpose different to that which was approved by parents, the governing body must present such deviation or reallocation to a general meeting of parents convened specifically for that purpose, on at least 14 days' notice, for consideration and approval by a majority of parents present and voting. (BELA 28(4)(a and b))

- 10.4.9 When notice is given to parents a document explaining and providing reasons for deviation or reallocation must be made available to parents by means of existing communication channels of the school. (BELA 28 (5)(a))
- 10.4.10 The parents must be informed that the document and the budget will be available for inspection at the school at least 14 days prior to the meeting. (b)
- 10.4.11 A quorum of 10 percent of parents is required for the general meeting of parents for the initial budget and the deviation and reallocation of budget. (BELA 28 (6))
- 10.4.12 If the quorum for both initial budget and deviation and reallocation of the budget is not reached at the general meeting the chairperson shall determine the date, time and place for the second meeting of the general meeting and notify parents 14 days prior to such meeting.
- 10.4.13 The principal shall at least 7 days prior to the date of the second general meeting distribute a copy of the notice to every learner at the school with the instruction to hand the notice to the parents and there shall be no quorum required at the second meeting.
- 10.4.14 The approved budget together with the name of the auditor/reviewer, as per section 43 of the Act, supported by their minutes must be submitted to the Head of Department by 31 January of each year.
- 10.4.15 No expenditure shall be incurred before the approved budget (as per section 38 of SASA, 84, of 1996) is endorsed by the Circuit Manager as an assurance that the approved budget has gone through correct budgeting processes.

11 Audit or Examination of Financial Records and Statements

11.1 All financial records including bank statements must be audited annually.

11.2 A person registered as an accountant and auditor, in terms of the Auditing Profession Act 26 of 2005 registered with the Independent Regulatory Board of Auditors (IRBA) must audit records and financial statements referred to above.

11.3 If not reasonably practicable, the SGB may appoint a person qualified to perform the duties of an accounting officer to examine and report on the records and financial statements on approval by the Member of the Executive Council.

- 11.4 Compilation of Annual Financial Statements(internal) and auditing or reviewing of Annual Financial Statements(external) must not be carried out by the same company of auditors or accountants/reviewers or examiners.
- 11.5 Any person approved by the Member of the Executive Council without financial interest in the affairs of the public school, in possession of relevant finance qualifications and belongs to the following Accounting Bodies recognised by CIPC:
- 11.5.1 The South African Institute for Chartered Accountants (SAICA);
 - 11.5.2 Auditors registered in terms of the provisions of the Auditing Profession Act, 2005
 - 11.5.3 The South African Institute of Chartered Secretaries and Administrators (ICSA);
 - 11.5.4 The Chartered Institute of Management Accountants (CIMA);
 - 11.5.5 The South African Institute for Professional Accountants (SAIPA);
 - 11.5.6 The IAC who have obtained a diploma in accountancy (IAC);
 - 11.5.7 The Association of Chartered Certified Accountants (ACCA);
 - 11.5.8 The Chartered Institute of Business Accountants (MCIBM)
 - 11.5.9 The South African Institute of Business Accountants (SAIBA);
 - 11.5.10 The South African Institute of Government Auditors (SAIGA).
- may be appointed to examine or review the school records and financial statements.
- 11.7 The SGB must appoint and submit the name of the auditor together with the approved budget to the Head of Department by 31 January each year.
- 11.8 No person or institution shall review or audit the books of the LDoE public schools unless approved by the MEC (MEC approval letter shall be attached as evidence) or registered with IRBA (a copy of IRBA registration shall be attached).
- 11.9 The HOD may, where necessary, request the Auditor General to audit the records and financial statements of a public school.
- 11.10 The HOD may appoint forensic auditors or forensic investigators to conduct forensic investigations into the financial affairs of the public school. (BELA 32 (4) (c))
- 11.10 A copy of the audited annual financial statement must be submitted to the Head of Department on or before 30 June of the following year.
- 11.11 The SGB must at the request of an interested party, make available to him/her the records and audited or examined financial statements. The said party, may however not under any circumstances, be allowed to remove the records from the school premises.

12 Transfer of Norms and Standards allocations from the Department to schools

- 12.1 The Department will transfer allocations to schools in two tranches i.e. by 15 May and by 15 November each year.
- 12.2 The first tranche will represent 50% of the total allocation. This transfer will be dependent on the receipt of:
- 12.2.1 A written assurance by the school that it implements effective, efficient and transparent financial management and internal control systems.
- 12.2.2 Acknowledgement of receipt and bank statements reflecting the last transfer received.
- 12.3 The second tranche will be dependent on receipt of:
- 12.3.1 The audited financial statements for the preceding academic year which is due by 30 June each year.
- 12.4 The Schools Audited Financial Statements will be subjected to review by the Department for its appropriateness and compliance with prescribed formats.

13 Payment of state employees for additional work done in terms of Section 38A of SASA

- 13.1 SGBs shall submit applications to the HOD on or before 31 May in the year in which the budget is finalised for approval to pay a state employee any remuneration or to give a state employee any financial benefit or benefit in kind. (BELA 29(a))
- 13.1.1 The application must contain the following details: (BELA 29(b))
- a) Full details of the nature and extent of the remuneration, other financial benefit or benefit in kind
 - b) The reasons for remuneration, other financial benefit or benefit in kind
 - c) If practicable, the monetary value, remuneration other financial benefit or benefit in kind.
 - d) The process that will be followed and the resources that will be used to compensate or remunerate the state employee or
 - e) The extend of compliance with section 20(5) to (9)
 - f) An identified post in which the employee will be utilised for such work (iii) A post description and job content
 - g) The number of hours to be worked and the duration of the proposed additional work given that additional work does not exceed two hours per ordinary school day or six hours per day on any other day.

- 13.1.2 The remuneration, other financial benefit or benefit in kind contemplated must be reflected in the school's budget, as presented to the general meeting of parents as contemplated in section 38(2) and in such reflection in the budget, any remuneration, other financial benefit or benefit in kind must, if practicable, be accorded a monetary value. (BELA 29(d))
- 13.1.3 The SGB must keep a record of the actual time additionally worked for the calculation of such remunerations in a register in **Addendum A**.
- 13.1.4 **Payments** shall not be fixed amounts and shall be calculated as shown in **Addendum B**.
- 13.1.5 The register contemplated in paragraph 13.1.3 must be forwarded to the HOD or his or her delegate every quarter.
- 13.1.6 The HOD or his or her delegate must on quarterly basis verify the additional work as purported by the registers submitted.

14 The financial year of public school

- 14.1 The financial year of a public school commences on the 1st day of January and ends on the 31st of December of each year.

15 Investigations by the Head of Department

- 15.1 The Head of Department may, at any time, call for a special report or such other particulars, as he or she may consider necessary, in connection with the administration of the school funds.
- 15.2 The Head of Department may also appoint an officer (within or outside of the Department) to investigate and report to him or her on the administration of a school fund.
- 15.3 Schools will be visited by Departmental officials from time to time to inspect and peruse all financial records and activities.

16 Closure of a Public School

- 16.1 When a public school is closed, the governing body, or failing that, the principal of such public school must:
- 16.1.1 Ensure that financial statements are prepared for auditing purpose.
 - 16.1.2 Ensure that final stock registers are prepared.
- 16.2 Upon the closure of the school, the principal must:
- 16.2.1 Submit the final audited financial statements together with the final asset register, referred to above, to the Head of Department.
 - 16.2.2 Hand over all assets issued to the school by the Department, purchased from school funds or donated to the school, subject to the conditions of any donation, bequest or trust, to the Head of Department.
 - 16.2.3 Head of Department may make school funds and stock items, referred to in these directives, after considering recommendations as previously mentioned, available for any other educational purpose he or she may consider desirable.

17 Obligations of school principals

- 17.1 The principal must maintain a complete set of the statutory provisions, directives, and departmental directives relating to the finances and financial management of the public school.
- 17.2 The principal must ensure that he/she and staff members under his/her management, appointed to assist the governing body in the execution of its duties, are acquainted with all statutory provisions, directives and Departmental directives of which he/she must have knowledge to enable him/her, to assist the governing body in the execution of its duties.
- 17.3 The principal must ensure that all statutory provisions; directives and Departmental directives are observed by him or her and by employees under his or her supervision without failure.
- 17.4 The principal shall maintain and retain sufficient documentary evidence and make such documentation available for inspection.
- 17.5 Value for money principles shall be observed at all times.
- 17.6 The Principal must:
- 17.6.1 Assist the governing body with the management of the school's funds,

- 17.6.2 Take all reasonable steps to prevent any financial maladministration or mismanagement by any staff member or by the governing body of the school;
- 17.6.3 Be a member of a FinCom or delegation of the governing body in order to manage any matter that has financial implications for the school,
- 17.6.4 Report any maladministration or mismanagement of financial matters to the governing body of the school and to the Head of Department, and
- 17.6.5 The principal shall account for any payment made without prior approval in terms of paragraph 8.5.2.

18 Administration of donations

- 18.1 All donations must be declared in writing to the HOD before any expenditure can be incurred.
- 18.2 All supporting documents e.g. business plan, contract and terms and conditions of the donation shall be submitted to the HOD together with the declaration.
- 18.3 Any donation, grant and other payments with conditions attached must be complied with.
- 18.4 Progress report of the project shall be submitted to the donor and HOD.

19 Irregularities

- 19.1 The SGB, the Principal, or any other person must immediately report all suspected irregularities regarding the management of school funds immediately to the Head of Department and the South African Police Services.

20 Delegation of powers

- 20.1 The Head of Department may delegate powers bestowed on him or her in terms of these directives, to an officer in the employment of the Department of Education.

21 Compliance with directives

- 21.1 Failure by a school to comply with these Directives for Management of Funds in Public Schools may lead to the withdrawal of section 21 status by the Head of Department in terms of the provisions of SASA, 84 of 1996.
- 21.2 Failure to comply with these directives by any person will constitute an act of misconduct.

21.3 The finance officer will be individually held liable for failure to keep records transactions where money was received or paid by the school.

22 Financial misconducts to be referred to the HOD

22.1 Spending school's funds without an approved budget.

22.2 Appointment of ineligible independent reviewer/examiner not approved by the MEC.

22.3 Any payment to a state employee for additional payment or payment in kind without prior approval.

22.4 Any cross transaction between the schools' main bank account and the hostel account.

22.5 Any unauthorised payment made by the SGB into the circuit account.

22.6 Operating on an illegal bank account neither known by the PED nor the MEC.

22.7 Non submission of quarterly reports by the school.

22.8 Remuneration of SGB members for attendance of SGB meetings and performance of SGB duties.

22.9 Exclusion of SGB members from paying school fees for their children in fee paying schools, unless they qualify for fee exemption.

22.10 Handing over of parents without prior verification of whether they qualify for fee exemption or not.

22.11 Malicious approval of the budget without consultation with parents for their majority vote.

23 Financial misconducts constituting criminal offences to be reported immediately to the law enforcement agencies.

23.1 Any misappropriation of funds without evidence (invoices) exceeding R100 000 is regarded as a criminal offence and shall be reported immediately to the South African Police Service. (PRECCA (34))

23.2 Any payment /release of funds from the school's bank account(s) without an approval by both the school principal/circuit manager and the SGB chairperson. Those that have transacted must be reported immediately.

23.3 The use of additional bank account not approved by the MEC.

23.4 Any transaction /release of funds from the school's bank account(s) by any official other than the SGB Treasurer and the Deputy Chairperson and the third signatory.

23.5 The use of credit cards and debit cards by SGBs.

24 Commencement date

These directives will come into effect from the date of signing by the HOD.

ADDENDUM A: Payment in kind i.t.o Sec 38A of SASA

**REGISTER FOR ADDITIONAL WORK PERFORMED
BY A STATE EMPLOYEE**

NAME OF SCHOOL: _____

DISTRICT: _____

EMIS NUMBER: _____

PROVINCE: LIMPOPO

REGION: _____

NAME OF EMPLOYEE	ID NO	PERSAL NO	ADDITIONAL WORK DONE	ACTUAL HOURS WORKED	DATE	NAME OF SUPERVISOR	SIGNATURE OF EMPLOYEE	SIGNATURE OF SUPERVISOR

Month: _____

ADDENDUM B

Illustration of the formula

Example

Annual total package of the State employee to be appointed in the post:	R200 000
Number of working hours per year expected of a State employee:	1 800
Number of actual additional hours worked per month:	40 hours (maximum)

The formula:
$$\frac{\text{Total package} \times \text{Actual additional hours worked per month}}{\text{Number of working hours per year expected of a State employee:}}$$

Application of the formula:
$$\frac{R200\ 000 \times 40}{1\ 800} = R4444.40$$

