

17 January 2016

CIRCULAR NOTICE 6 of 2016

To All Vice Chancellors

cc: Financial Aid Office Head and Student Support Services; CFOs.

Dear Colleagues

2016 ADDITIONAL FUNDING ADMINISTRATION PROCESS**1. PURPOSE**

The purpose of this document is to provide universities with guidelines on the administration process of the R 4,582 billion NSFAS additional funding.

2. BACKGROUND

The President in his January 8th, 2016 Statement to the Nation announced that government made the following key decisions on the short-term funding of Higher Education in South Africa. The funding announced was determined with the information submitted to DHET by universities. It is a requirement that claims submitted must be in line with the data submitted. All claims will be assessed and paid in line with the data provided.

- a) Government will make available an additional R 4,582 billion of state funding to National Student Financial Aid Scheme (NSFAS) in the 2016/17 financial year.
- b) Of that amount, R2,543 billion will assist 71 753 identified students with loans, who qualified for NSFAS funding but were either partially or not funded at all over the past three academic years;
- c) An additional allocation of R 2,039 billion to ensure that any of these students, still in the university system in 2016, are supported financially to continue and complete their qualifications.

2. R 2, 543 BILLION LOANS

- a) All students qualifying in terms of point 1 (ii) should have been studying between 2013 and 2015. They would either have been unfunded or underfunded although they qualified for NSFAS funding. All these students referred to above should have applied for NSFAS funding and the results of their means test should be available.
- b) All universities are requested to send NSFAS the names, ID numbers, Cell numbers, email addresses, amount owed per year of registration, and the means test results of these students that were submitted to the DHET as part of the work of the Presidential Task Team (PTT) on or before 22 January 2016 to historicdebt@nsfas.org.za. NSFAS will send a template to the universities to populate this data. This template will also assist in speeding up the processing and payment of claims to universities.
- c) Universities are requested to allow students who meet the criteria and were included in the list submitted to the DHET and the PTT to register, as NSFAS will pay the amounts declared as owed less the interest.
- d) The financial assistance for students will be in the form of loans that can be converted to bursaries in terms of the NSFAS rules, and therefore the students results should be forwarded to NSFAS per academic year together with the submission template.
- e) NSFAS will pay the capital amount owed by the student to the university. The accounts submitted to NSFAS should have no interest charged, and any interest previously charged on these accounts should be reversed.
- f) NSFAS will pay for only students that met both the academic and financial need criteria. Payments will be effected for students who are still studying, dropped out and graduated within the stipulated academic years.
- g) NSFAS will send a Historic Debt Agreement Form by Wednesday, 20 January 2016 to all universities to be completed by students in respect of 2013 to 2015 fees. A separate agreement form will have to be completed in respect of 2016 fees for continuing students.



NSFAS

National Student Financial Aid Scheme

- h) NSFAS will pay the universities upon receiving completed Loan Agreement Forms from the students. Universities are requested to ensure that there is sufficient communication to students and former students who meet the criteria for this fund.

3. R 2,039 BILLION ADDITIONAL FUNDING

- a) Continuing students out of the list submitted to DHET will also be funded for the 2016 academic year. Universities should therefore indicate which students are continuing into 2016, and the costs per student according to the template.
- b) Universities are further requested to submit to NSFAS within 10 days of the closing of registration the information of unfunded or underfunded qualifying first time entries students for 2016
- c) Universities will be informed in April of the value of the allocation they will receive to cover any unfunded or underfunded qualifying first time entering students. NSFAS will rely on the data submitted by universities to make decisions on this matter.

NSFAS reserves the right to audit the utilization of these funds in accordance with the circular guidelines.

All enquiries should be directed to Jomo Jacobs at jomoj@nsfas.org.za.

Yours Sincerely

Msulwa Daka
Executive Officer