Circular 16/2010
Date: 29 April 2010

RESOURCE ALLOCATION FOR PUBLIC ORDINARY SCHOOLS, INCLUDING "NO FEE SCHOOLS", FOR 2010/2011

(School Resource Certificates will be sent to District Offices and individual schools).

✓ Chief Directors and Directors at Head Office and District Offices
✓ Principals of all Public Schools
✓ Members of School Governing Bodies
✓ Relevant Unions and Organisations
✓ Staff Members in Public Institutions

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Enquiries

On request, this circular will be made available in Afrikaans, isiZulu or Sepedi within 21 days
Also available on the GDE website at: www.education.gpg.gov.za

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RESOURCE ALLOCATIONS FOR PUBLIC ORDINARY SCHOOLS,
INCLUDING "NO FEE SCHOOLS", FOR 2010/2011

1. PURPOSE

1.1 To provide schools and their School Governing Bodies (SGBs) with the final financial resource allocation (based on their reviewed/revised category ranking) for the financial year, which begins on 01 April 2010 and ends on 31 March 2011.

1.2 To provide guidelines on the utilisation of the Resource Targeting Table (RTT) allocation and the special grant for the procurement of Learning and Teaching Support Materials (LTSM).

1.3 To inform SGBs, principals, and Departmental officials about the process and procedures involved in declaring schools as ‘No Fee Schools’.

2. LEGISLATIVE FRAMEWORK

2.1 The National Education Policy Act (Act No. 27 of 1996).

2.2 The South African Schools Act, 1996 (Act No. 84 of 1996) as amended.

2.2.1 National Norms and Standards for School Funding as amended.

3. BACKGROUND

3.1 This circular must be read in conjunction with Circulars 27/2008, 58/2008 and 23/2009 on Resource Allocations to Public Ordinary Schools, including "No Fee Schools".

3.2 The Education Laws Amendment Act 24 of 2005 made amendments to Section 35 of the SASA Act 84 of 1996, whereby provision is made for some schools, serving the poorest communities in the country, to be declared ‘No Fee Schools’ as from 2006. The declaration of ‘No Fee Schools’ is an integral part of the government strategy to alleviate the effects of poverty and redress the imbalances of the past. In addition, this strategy is aimed at ensuring that all learners in the country exercise their right to basic education as determined by the Constitution of the Republic of South Africa (Act No. 108 of 1996). In Gauteng, this initiative is being extended in 2010.

3.3 The resource allocation to schools (Annexure A) is based on the learner data as contained in the 2010, 10th School Day Snap Survey.

3.4 In terms of the SASA Act 84 of 1996, as amended, schools are expected to keep detailed accounts of what they spend their money on and must
account to school communities and the Gauteng Department of Education on an annual basis.

4. ‘NO FEE SCHOOLS’

4.1 All schools in national quintiles 1 and 2 were considered eligible, and have been declared ‘No Fee Schools’. The Gauteng Department of Education has since declared all quintile 3 schools as ‘No Fee Schools’.

4.2 Parents of learners at ‘No Fee Schools’ are exempted from the payment of compulsory school fees, but are not barred from making voluntary contributions to the school.

4.3 SGBs are reminded of their responsibility to raise funds, even though their schools were declared a ‘No Fee School’.

4.4 Quintile 3 schools that request that their ‘No Fee Schools’ status be reviewed to be ‘Fee Paying Schools’, will be re-ranked to a higher quintile (Quintile 4 or Quintile 5). The difference in the adequacy allocation paid to the school in 2009 will be deducted from the current financial year allocation.

5. FUNDING TO SECTION 20 AND 21 SCHOOLS

5.1 SGBs are informed that the HOD did not allocate Section 21 functions in 2009 due to the end of term of office of the SGBs. Elections took place in June 2009 and the newly elected SGBs will be invited to apply for functions for 2010. In the interim, schools will maintain the functions as allocated.

5.2 All schools that are ‘No Fee Schools’ i.e. quintile 1, 2 and 3 schools will receive an amount R35 000, which will be top-sliced from the total allocation of the school for the day-to-day operational costs of a school.

The amount of R35 000 will be reflected on the final resource allocation certificate. This amount will be transferred to the school’s bank account. These funds must therefore be spent and accounted for in line with provisions of the Norms and Standards for School Funding and policy as outlined in the previous Resourcing Circulars listed in paragraph 3.1 above and must cover the period May 2010 to June 2011.

5.3 Schools allocated SASA Section 21 functions are expected to adhere to stringent financial management and reporting systems that are reliable, efficient and verifiable. Funds transferred to schools must be used efficiently and only for the purpose for which they are intended.
Section 21 schools may carry out their own procurement and/or may deal directly with suppliers and contractors for the relevant budgeted items in accordance with standard procurement procedures, the financial directives issued in terms of Section 37 of SASA and paragraph 103 of the Amended Norms and Standards for School Funding, and should purchase approved textbooks as contained in the GDE catalogues to ensure compliance with the National Curriculum Statements.

6. FEES/DONATIONS COLLECTED

The use of school fees and donations collected from parents should be guided by the provisions of SASA to augment the state allocation particularly for services and maintenance.

7. UTILISATION OF THE SCHOOL ALLOCATION AS PER THE RESOURCE TARGETING TABLE (RTT)

7.1 In general, the school allocations are intended to cover non-personnel recurrent items and small capital items required by the school, as well as minor repairs and maintenance of the physical infrastructure of the school. Moreover, the school allocations are primarily and exclusively intended for the promotion of quality education in public ordinary schools.

Note: Schools are allowed to use the 50% for LTSM as follows:

- 35% of the LTSM Rand amount for textbooks
- 35% of the LTSM Rand amount for school stationery
- 05% of the LTSM Rand amount for office stationery
- 10% of the LTSM Rand amount for the library resources
- 04% of the LTSM Rand amount for the library stationery
- 06% of the LTSM Rand amount for the laboratory equipments and specialized rooms.

7.2 50% of the remaining school allocation must be divided for services and maintenance according to the needs of the school. The division must be submitted to the District Director for record and purposes of monitoring.

N.B. Where the SGB considers that there is a need to deviate from the prescribed manner in which funds are to be utilised in terms of SASA, a submission must be presented to the District Director, with justifiable reasons for so doing. The budget should only be used for the educational items relating to the recommended breakdown after consultation with the District Director. The deviation must also show benefits towards improved quality teaching and learning. A written approval with specified deviations must be obtained from the District Director and a copy of such approval forwarded to: Director: Finance and Director: LTSM and Multi-media at Head Office.
7.5 SGBs are reminded that it is crucial to align the school budget with the School Improvement Plans to ensure effective quality curriculum delivery.

7.6 According to the Amended NNSSF, the department must effect payment of allocations to schools on or before 15 May 2010 if the department is satisfied that the public school has utilised funds in accordance with the prescripts of SASA. The second payment will be effected on or before 15 November 2010 after the department has considered audited financial statements of the previous financial year as contemplated in Section 43(5) of SASA.

7.7 Schools must ensure that the resource allocation as contained in Annexure A covers the period from June 2010 to May 2011.

8. THE DETERMINATION OF NATIONALLY PROGRESSIVE SCHOOL ALLOCATIONS

8.1 To determine the school allocation for each school, the GDE utilises the resource targeting list, the table of targets for the school allocation (the ‘targets table’) and the national poverty distribution table (the ‘poverty table’).

8.2 The following ‘table of targets for school allocation’ or ‘targets table’ establishes target per learner amounts for the school allocation.

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A</td>
<td>B</td>
<td>C</td>
</tr>
<tr>
<td>NQ1</td>
<td>30.0</td>
<td>R855</td>
<td>100%</td>
</tr>
<tr>
<td>NQ2</td>
<td>27.5</td>
<td>R784</td>
<td>100%</td>
</tr>
<tr>
<td>NQ3</td>
<td>22.5</td>
<td>R641</td>
<td>100%</td>
</tr>
<tr>
<td>NQ4</td>
<td>15.0</td>
<td>R428</td>
<td>67%</td>
</tr>
<tr>
<td>NQ5</td>
<td>5.0</td>
<td>R147</td>
<td>22%</td>
</tr>
<tr>
<td>Overall</td>
<td>100.0</td>
<td>R571</td>
<td>89%</td>
</tr>
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</table>

No fee threshold

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<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td>R784</td>
<td>R826</td>
</tr>
<tr>
<td></td>
<td>R865</td>
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</tbody>
</table>

Figure 1: The national table of targets (targets table) for the school allocation 2010 – 2012
Based on the Norms and Standards, the ‘No Fee Schools’ affordability for 2010/2011 in respect of per capita allocation is indicated below:

<table>
<thead>
<tr>
<th>National Quintile</th>
<th>Percentage of learners per national quintile</th>
<th>Adequacy allocation for GDE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>10.46</td>
<td>R855</td>
</tr>
<tr>
<td>Q2</td>
<td>11.44</td>
<td>R855</td>
</tr>
<tr>
<td>Q3</td>
<td>27.37</td>
<td>R855</td>
</tr>
<tr>
<td>Q4</td>
<td>27.17</td>
<td>R513</td>
</tr>
<tr>
<td>Q5</td>
<td>23.56</td>
<td>R176</td>
</tr>
</tbody>
</table>

**NB:** Audited Financial Statements of Public Ordinary Schools

In compliance with Section 43(5) of SASA, each school should submit through the respective district office a copy of Audited Financial Statements for the period 1 January 2009 to 31 December 2009 to the Head of Department by 30 June 2010.

Failure to meet this compliance requirement could result in subsequent transfer payments to the school being delayed or withheld until the school comply.

In addition, for the purpose of ongoing monitoring in respect of financial management, schools are required to maintain monthly cash flow projections and actual expenditure statements.

9. **SCHOOLS THAT WERE FORMALLY IN NORTH WEST AND MOVED TO THE GAUTENG PROVINCE (MERAFONG SCHOOLS)**

Schools that were formally in the North West Province and have subsequently fallen within the Gauteng Province and were ranked Quintile 3B are ranked, with immediate effect, as Quintile 4. These schools should note, however, that allocations to these schools will remain at Quintile 3 from the Gauteng Province and the amount will remain so until the allocation equals the budget that the schools were receiving.

**SIGNED:** BOY NGOBENI  
**HEAD OF DEPARTMENT**  
**DATE:** 2010.04.23