



Province of the  
**EASTERN CAPE**  
EDUCATION

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**CIRCULAR NO 3 OF 2019**

**TO :** CLUSTER CHIEF DIRECTOR  
DISTRICT DIRECTORS  
ASSOCIATION OF SGBs  
SCHOOL GOVERNING BODIES  
SCHOOL PRINCIPALS

**FROM :** THE SUPERINTENDENT GENERAL

**SUBJECT :** RESOURCE ALLOCATIONS FOR PUBLIC ORDINARY SCHOOLS, INCLUDING "NO  
FEE SCHOOLS", FOR 2018/2019

**DATE :** 23 JANUARY 2019

**1. PURPOSE**

- 1.1 To provide schools and their governing bodies (SGBs) with the financial resource allocation (based on their reviewed/revised category ranking) for the financial year, 01 April 2019 to 31 March 2020.
- 1.2 To provide guidelines on the utilization of the Resource Target Table (RTT) allocation.
- 1.3 To inform school governing bodies (SGB), Principals, and Department officials about the process and procedure involved in declaring schools as 'No Fee' schools.

**2. POLICY AND LEGISLATIVE FRAMEWORK**

- 2.1 The South African Schools Act, 1996 (Act No. 84 of 1996) as amended by the various Education Laws Amended Acts.
- 2.2 Amended National Norms and standards for School Funding Gazette no. 31496 of 2008, (amended NNSSF)
- 2.3 The National Education Policy Act (Act no. 27 of 1996).
- 2.4 Public Finance Management Act (Act No.1 of 1999)



### 3. BACKGROUND

- 3.1 The Education Law Amendment Act 24 of 2005 made amendment to section 35 of the South African Schools Act 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 imbalance 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)
- 3.2 The resource allocation to schools is based on learner enrolment figures (Grade 1 to 12 only) whilst transfer of funds is based on learners with valid Identity documents as contained in SA-SAMS March 2019.
- 3.3 In terms of the South African Schools Act 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 Eastern Cape Department of Education on an annual basis.

### 4. 'NO FEE SCHOOLS'

- 4.1 Implementation began in 2006, with all quintile 1 schools being declared as 'No Fee' Schools and subsequent to that quintile 2 were declared as 'No Fee' schools in 2007. In Eastern Cape this meant that a total of 56.44% of its learners were no longer required to pay school fees. The department has taken a decision to extend the 'No Fee' status to schools within the quintile 3 ranking. Eastern Cape has currently declared 96% No Fee Schools.
- 4.2 The initiative is an extension of the process outline in paragraph 1 and 2 above, whereby all Eastern Cape public ordinary schools in quintile 3 were declared 'No Fee' schools as of January 2009. In 2018/19 financial year 1 484 819 learners are exempted from paying compulsory fees.
- 4.3 Parents of learners at 'No Fee schools' are exempted from the payment of compulsory school fees, but are not precluded for making voluntary contribution to the school.
- 4.4 School Governing Bodies are reminded of their responsibility to raise funds even though their schools were declared 'No Fee School'.
- 4.5 Schools that are declared as 'No Fee' schools are still required to prepare budgets in accordance with section 38(2) of SASA, and keep records of funds received and spent in accordance with section 42 of SASA.
- 4.6 Schools that are declared "No Fee" schools must note that the Cash Payment budget must be spread over a period of 12 months (i.e. from April 2019 to March 2020).

## 5. UTILISATION OF FEE/DONATIONS COLLECTED AND THE SCHOOL ALLOCATION AS PER THE RESOURCE TARGET TABLE (RTT)

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

5.2 In general, the school allocations are intended to cover non-personnel recurrent items and small capital that is 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 school.

5.3 35% of the school allocation is ring-fenced for LTSM and may be used for the purchasing of textbooks to ensure movement progressively to a ratio of one textbook per learner, per Learning Area/subject (Refer to Annexure A), 10% for Educational and Non-Educational Consumables respectively in support of the curriculum. (Refer to Annexure A). Quintile 1-3 LTSM have been centralized as per Circular No: 9 of 2013.

5.4 25% for No Fee School and 30% for Fee Charging School is ring-fenced for maintenance and must be used for minor repairs, e.g. the replacement of broken windows, minor plumbing repairs, etc. (Refer to Annexure C)

5.5 20% for No Fee School and 25% for Fee Charging School is ring-fenced for services and must be used for the payment of municipal services and other related services. (Refer to Annexure B). Quintile 1-3 municipal services have been centralized as per Circular No: 7 of 2016.

(These percentages may be reviewed as the Department deems necessary)

*NOTEWELL: Where the SGB considers that there is a need to deviate from the prescribed manner in which funds are to be utilized in terms of SASA, a submission must be presented to the District Director, with justifiable reasons for so doing, and should only be for under-budget for the educational items relating to the recommended breakdown after consultation.*

5.6 SGBs are reminded that it is crucial to align the school budget with the School Improvement Plans to ensure effective quality curriculum delivery.

5.7 Allocations to schools should be transferred on or before 15 May for 1<sup>st</sup> tranche. The second transfer payment will be made on or before 15 November annually as articulated by Norms and Standards for School Funding gazette number 31574, after the department has considered audited financial statements of the previous financial year as contemplated in section 43(5) of SASA.

5.8 Schools that have received transfers erroneously are expected to sign a cheque to the Eastern Cape department of education within 7 (seven) working days of receiving such payment.

## 6. REPORTING

6.1 Schools where SASA Section 21 Functions have been allocated are expected to adhere to stringent financial management and reporting systems that are

building blocks for growth.



reliable, efficient, and verifiable. Transfers to schools are efficiently utilized only if they are used for the purpose for which they are intended.

6.2 The Public Finance Management Act of 1999 also addresses the issue of transparency. This implies that the entity that will be receiving the funds must disclose to all stakeholders its plans that show where the funds come from, what they were intended for, what they will be used for and when and how they will be used. The entity must also disclose who benefited from such utilization.

## 7. REPORTING FRAMEWORK

REPORT TO BE SUBMITTED	PERIOD REPORT MUST COVER	DATE TO SUBMIT TO DISTRICT OFFICE
Quarterly expenditure reports should be done by all public schools and compliance forms should be signed by all schools receiving transfer payments.	1 Jan 2019 – March 2019	18 April 2019
	1 April 2019 – 30 June 19	19 July 2019
	1 July 2019 – 30 Sept 19	18 Oct 2019
	1 Oct 2019 – 31 Dec 19	13 Dec 2019
Audited Annual Financial Statements should be done by Section 21 schools	01 Jan – 31 Dec 2018	Date of submission not later than 30 June 2019

Schools should note that only after the submission of Audited Financial Statements will funds be transferred. Therefore, the sooner the school submit its AFS, the sooner it receives its allocation.

## 8. THE DETERMINATION OF NATIONALLY PROGRESSIVE SCHOOL ALLOCATIONS

8.1 To determine the school allocation for each school, the Eastern Cape Department of education utilizes the resource targeting list and the table of targets for the school allocation. (the target table)

8.2 The following table of targets for school allocation establishes per learner amounts for 3 consecutive years.

QUINTILE	2018	2019	2020
Q1	R 1 316	R 1 390	R 1 468
Q2	R 1 316	R 1 390	R 1 468
Q3 (No Fee threshold)	R 1 316	R 1 390	R 1 468
Q4	R 660	R 697	R 736
Q5	R 228	R 241	R 254

8.3 In order to calculate the allocation for each individual school for the following year, the ECDoE multiplies the relevant per learner target from the target table by the enrolment of the school in the current year.

building blocks for growth.



**NOTE WELL:** Audited financial statements of Public Ordinary Schools in compliance with section 43(5) of SASA, - each school should submit a copy of Audited Financial Statements for the period 1 January 2018 to 31 December 2018 to the Head of Department by June 2019.

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

## CONCLUSION

This circular rescinds Circular 57 of 2009 and must be read in conjunction with Amended Norms and Standards for School Funding Gazette No. 29179 of 31 August 2006.

  
MR T. KOJANA  
SUPERINTENDENT GENERAL

## ANNEXURE A

The following list provides examples of items that the school allocation may cover and categorization of these items. It should be noted that the items that are mentioned serve as examples and not constitute all the possible items.

1. LEARNING TEACHING SUPPORT MATERIAL (LTSM)
  - Text books
  - Library Books
  - Charts
  - Models
  - Computer hardware and software
  - Television
  - Video records/Tapes
  - Hospitality Equipment
  - Consumer study equipment
  - Clothing and soft furnishing products
  - Laboratory equipment
  - Musical instruments
  - Learner desk, & chairs
- 1.1 CONSUMABLE EDUCATIONAL ITEMS
  - Stationary for learners
  - Science laboratory chemicals
  - Art equipment
  - Ingredients for Consumer studies and Hospitality studies
- 1.2 NON-EDUCATIONAL CONSUMABLES
  - Stationary for office use
  - Cleaning materials and equipment
  - Lubricants
  - Food
  - First Aid Kit
2. NON-LEARNING TEACHING SUPPORT MATERIAL
  - Copier Machines
  - Telephone sets
  - Fax Machine
  - Intercom system
  - Hardware Tools
  - Supporting equipment
  - Electrical equipment

## ANNEXURE B

### SAVINGS MEASURES IN RESPECT OF MUNICIPAL SERVICES

#### ELECTRICITY

- I. Outside lights must be switched off during the day.
- II. Lights in classrooms must be switched on during the day only if natural light is inadequate.
- III. Only the security lights and the lights of corner classrooms must on at night.
- IV. During weekends and school holidays, the above-mentioned lights (see iii above) must be switched on at night and off in the morning.
- V. The installation of pre-paid electricity meters must be considered as the tariffs are more reasonable than those for conventional systems and schools will be able to exercise better control over their use of and spending on electricity. ESKOM and most other municipalities have indicated that it will be possible for them to install these meters.

#### WATER

- i. Water sprinklers must be used sparingly and closed when lawns and flower beds are wet enough.
- ii. The water supply to urinals and taps and outside the building must be closed at the stopcocks when not required, e.g. after school hours and especially during weekends.
- iii. Personnel must ensure that all taps are closed properly before they leave the premises.
- iv. Supply pipes and water meters must be checked regularly for leakages and defects. The following measures must be followed:
  - When school closes for the day, ensure that all taps are closed and take the meter reading.
  - Take another reading in the morning before any taps are opened.
  - Compare the readings and, if they differ, take the following steps:
    - When schools closes the next day, close the stopcocks and take a meter reading.
    - If there is still a difference between the readings, it indicates that the water meter is defective or that there is a pipe leakage.
    - Arrangements must be made immediately to have the defective water meter and/or pipe fixed.

**3. OTHER SERVICES**

- Workshop fees
- TV licenses
- Telephone calls
- Electricity calls
- Water
- Electricity
- Copying services

**4. THE 10% ALLOCATION MAY BE USED FOR THE FOLLOWING DAY TO DAY OPERATIONS TO CLOSE THE SCHOOL FEE GAP**

- Extra curricular activities e.g. music. SRA, ect.
- Printing

## ANNEXURE C

### Prioritization of maintenance work at a school

With a limited budget of maintenance it is important to repair the most important items first to ensure that the learning and teaching process can carry on uninterrupted.

Therefore the following items should be looked at on the school in order of priority:

1. **Roof-** Ensure that all leaks on the roof are repaired by replacing rusted roof sheets. Replace gutters and down pipes where needed.
2. **Windows and doors-** Replace glazing (glass) where necessary and repair/replace doors and door locks where necessary.
3. **Provide adequate ablution facilities-** If toilets cannot be removed new facilities must be provided. Water tanks must be provided where there is no running water.
4. **Walls-** Make sure that the walls are solid and no water leaks occur through brick work.  
With emergency structures the broken walls can be repaired if possible.
5. **Floor-** Ensure that floors are level and holes are repaired if necessary new screed can be applied. In the case of new laid if necessary.
6. **Install Blackboard-** For effective teaching
7. **Ceilings-** Replace broken ceiling boards where necessary and prepare and paint.
8. **Painting-** Painting should only be done after the wall surfaces have been repaired and prepared properly.
9. **Aprons and storm water channeling-** if there are aprons and storm water channels and the need to be repaired. When there is an urgent need to install aprons and storm water channels due to a steep school site.
10. **Fencing-** if poles of the perimeter fence are still solid new fencing can be added or existing fencing with holes can be repaired.
11. **Fire extinguishing equipment-** rural schools should have these as a priority because urban schools are near to fire stations.
12. **Cupboards-** One double door, lockable cupboard per classroom will be sufficient if there are no built in cupboards.
13. **Electricity-** faulty wiring and replacement of switches and light fitting must be done by an electrical contractor.

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**GOVERNMENT NOTICES • GOEWERMENTSKENNISGEWINGS**

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**DEPARTMENT OF BASIC EDUCATION**

NO. 75

02 FEBRUARY 2018


**SOUTH AFRICAN SCHOOLS ACT, 1996 (ACT NO 84 of 1996)****AMENDED NATIONAL NORMS AND STANDARDS FOR SCHOOL FUNDING**

I, Angelina Matsie Motshekga, Minister of Basic Education, in terms of section 35 read with section 39(7) of the South African Schools Act, 1996, (Act 84 of 1996) and with paragraphs 110 and 112 of the National Norms and Standards for School Funding (NNSF), after consultation with the Minister of Finance and the Council of Education Ministers, hereby publish amendments to the NNSF. The NNSF were published in Government Notice No. 890, Government Gazette No. 29179 of 31 August 2006.

The NNSF are hereby amended by updating the:

1. National Targets Table (Par. 109 of the NNSF) to include 2019 and 2020 indicative target amounts; and the
2. National Poverty Distribution Table (Par. 111 of the NNSF).

The amendment is contained in the Schedule. The effective date for implementation of this amendment will be 1 January 2018.

  
**MRS AM MOTSHEKGA, MP**  
Minister of Basic Education  
Date:

**SCHEDULE**

In terms of Paragraph 110 of the NNSSF, the National Targets Table published in Government Gazette No. 40818 Government Notice No. 394, of 28 April 2017 is hereby updated to include 2020 target amounts. The no fee threshold will be R1,316 in 2018:

**National table of targets for the school allocation (2018 – 2020)**

	2018	2019*	2020*
NQ1	R 1,316	R1,390	R1,468
NQ2	R 1,316	R1,390	R1,468
NQ3	R 1,316	R1,390	R1,468
NQ4	R 660	R697	R736
NQ5	R 228	R241	R254
No fee threshold	R 1,316	R1,390	R1,468
Small schools: National fixed amount	R 30,490	R32,197	R34,000

\* 2019 and 2020 figures inflation adjusted – CPI projected inflation rate adjusted

No new data is available to update the national poverty distribution table (Paragraph 111 of the NNSSF) In terms of Paragraph 112 of the NNSSF. The table which was published in Government Gazette No. 40818 of 28 April 2017, therefore remains the basis for the national poverty targeting in 2018:

National Poverty Distribution Table						
%	Quintiles					Total
	1 poorest	2	3	4	5	
EC	27.3	24.7	19.6	17	11.4	100%
FS	20.5	20.9	22.4	20.8	15.4	100%
GP	14.1	14.7	17.9	21.9	31.4	100%
KZN	22.1	23.2	20.2	18.7	15.8	100%
LP	28.2	24.6	24.2	14.9	8	100%
MP	23.1	24.1	21.5	17.7	13.5	100%
NC	21.5	19.3	20.7	21.4	17.1	100%
NW	25.6	22.3	20.8	17.6	13.7	100%
WC	8.6	13.3	18.4	28	31.7	100%
SA	20	20	20	20	20	100%

In terms of section 39(7) of the South African Schools Act, I hereby determine all learners in quintiles 1 to 3 (60% of the public school learners nationally) to be in no fee schools for 2018.

If funds are available, and after taking into consideration the possible funding implications this may have on other poverty related programmes involving no fee schools, the Provincial Education Department may offer Q4 and Q5 schools no fee status at least at the threshold level of R 1,316 voluntarily. In declaring these fee charging schools as no fee schools, the Provincial Education Departments (PEDs) need to ensure all these schools are informed that they will be declared no fee schools from 1 January 2018. PEDs also need to ensure that these schools have informed parents of the change.

(N&S-96GovGaz)