



HUMAN RESOURCE POLICY BURSARIES

Policy No: NLMHRED002	Effective Date: 01 April 2008
Approved:	Review Date: 01 April 2009

Notwithstanding the review date herein, this policy shall remain effective until such time approved otherwise by Council and may be reviewed on an earlier date if necessary, subject to Labour Law Dispensation or operational requirements.

1. SCOPE

This policy applies to all employees of Ngwathe Local Municipality and must be read in conjunction with the Skills Development and Employment Equity Policy. The beneficiaries will cover the following:

- 1.1 Councillors
- 1.2 Employees
- 1.3 Employees' dependants
- 1.4 Youth

2 PREAMBLE

- 2.1 To provide financial assistance to employees and the youth from the community who wish to improve themselves through formal courses of study.
- 2.2 To encourage career development of employees through further education
- 2.3 To encourage self-development activities provided that they are along the lines regarded as beneficial to Ngwathe by management.

3. DEFINITION OF BURSARY

A bursary is given to an employee when a specific course of study is considered by Ngwathe to be beneficial to the employee's career development plan. Studies are subject to provisions of this policy fully paid for by Ngwathe.

4. POLICY

- 4.1 A bursary will only be granted after a development discussion between the employee and his/her Manager.
- 4.2 The Municipal Manager must approve a bursary.
- 4.3 A bursary can only be given for a qualification and institution considered by Ngwathe as registered-with a relevant higher, further education and qualification authority.
- 4.4 A bursary can only be given for a qualification considered by Ngwathe to be applicable to both Ngwathe's interests as well as the employee's development.

- 4.5 A bursary will only be granted for a minimum period of a one year course up to courses that run for a period of four years. Any courses which are shorter than one year should be addressed through skills development training programmes.
- 4.6 Employees will qualify for one bursary per course of study. There will not be simultaneous bursary payments (employees will have to successfully complete a course before applying for new bursary).
- 4.7 Financial assistance will cover:
- 4.7.1 Tuition fees.
 - 4.7.2 Books for registered courses in the bursary year.
 - 4.7.3 Registration fees.
 - 4.7.4 Examination fees.
 - 4.7.5 Residents fees (where the employee resides at least 10km away from the relevant institution of education).
- 4.8 An employee who has been granted a Bursary must sign an agreement with Ngwathe stating that he/she will remain in Ngwathe's employment for a period of one year after successful completion of the course provided the total cost does not exceed R10 000.00. If the cost exceeds R10000.00 and up to R14 999.00, then the employee is to remain in their employment for one and a half (1½) years. If the cost exceeds R15000.00 then the employee is obliged to remain in the employment of Ngwathe for two (2) years.

4.9 In the event the employee leaves Ngwathe's employ before the expiry of the agreed period, the employee must pay back an amount in proportion to the unexpired remainder of the period. The employee must sign a bursary agreement prior to disbursements of a bursary in terms of this policy.

4.10 If an employee fails one or more courses, he/she will either:

4.10.1 Repeat the course at his/her own expense, or

4.10.2 Refund the bursary to Ngwathe if he/she is unable to complete the course, or

4.10.3 Continue with the course at his/her own expense.

5. STUDY LEAVE FOR AN EMPLOYEE

5.1 Subject to the existing Study Leave Policy Ngwathe will grant the employee bursary recipient study leave for attendance or projects that must be complied with as part of the course.

5.2 A total of two days per examination will be granted. One day will be for preparation and the second day will be for writing the examination.

6 EXTERNAL BURSARY SCHEME FOR STUDENTS

6.1 Objective:

Ngwathe Local Municipality will provide annually for an external bursary scheme for the youth of the local Ngwathe community subject to the availability of funds in its budget and approval of National Treasury.

The objective of the bursary scheme is to assist students and the community to obtain or further their tertiary qualification. The allocation of bursaries is subject to certain conditions and successful students will sign a binding contract / agreement with Ngwathe Local Municipality.

6.2 Conditions

6.2.1 Bursaries will be awarded on merit. A consistent above average academic record must be provided.

6.2.2 The scheme will accommodate indigent applicants but also those who are above the poverty line and still cannot afford the tertiary education fees.

6.2.3 The indigence status of the applicant would be accessed from the Local Municipality in which the applicant is residing and must include:

- ♦ Home economic situation
- ♦ Parents employments profile
- ♦ Number of school going siblings

6.2.4 A score chart reflecting the applicant's socio economic status will be applied to short list applicants in the evaluation process. (A tailor made chart will be developed for NLM)

6.2.5 Only applicants residing in the jurisdiction of the Ngwathe local municipality will be considered

6.2.6 All applicants should include upon application, a confirmation of indigence status from their ward councillors to ensure that only residents in Ngwathe Local Municipality benefit from the fund.

6.2.7 An approved agreement between the successful applicant and Ngwathe local Municipality stipulating all conditions as required by the Municipality will be signed. The Council will accept no exemptions of the stipulated conditions.

6.2.8 The agreement will include the following stipulations:

- ♦ Study at a recognised tertiary educational institution within South Africa.
- ♦ Statement of results (progress report) should be submitted to the Municipality at least twice a year (i.e.) after June and December exams. Mid year results must be provided on the official result slip of the relevant academic institution before the end of August in the year of assistance. Failure to submit results will be considered as “breach of contract”
- ♦ Applicants must not have access to a similar form of financial assistance at the time of the bursary being awarded, as dual funding will not be allowed. The tertiary institution will be contacted to disclose any sources of funding for bursary students. Any contravention of this stipulation will be regarded as “breach of contract”
- ♦ The approved bursary shall not cover any additional costs for any subjects failed.

6.2.9 Applicants before receiving the funding must sign an acknowledgement form, for the receipt of the bursary where a brief orientation around the conditions attached to the bursary and also a code of conduct for the bursary will be clearly explained to the successful applicant.

6.3 Duration of Support

6.3.1 The first year of study only.

Applicants will be assisted with tuition, registration, prescribed textbooks relevant to the field of study, meals and accommodation. The following guidelines will be applicable:

6.3.1.1 Registration and tuition fees:

- On submission of an official tertiary institution invoice only
- The bursary shall not cover any additional costs for any subjects failed.

6.3.1.2 Accommodation and Meals:

- Preference will be given to accommodation in the tertiary institution's residences of which residence fees include meals.

- In the event that a student does not reside in a tertiary institution's residence, a subsidy to the amount of R1200.00 per month for accommodation and meals will be paid to the student for a period of 10 months per year.
- No additional amounts will be paid for meals.
- The subsidy toward accommodation and meals, in cases where students are not residing in the academic institution's residence, will be paid in two payments of which the second payment will only be made after submission of mid-year results on the official result slip of the relevant academic institution

6.3.1.3 Text Books:

- Proof of prescribed textbooks relevant to the study-field on the official institution letterhead. Payments will only be effected once a year after submission of supportive documentation.

6.4 Closing Date for Applications

Applications must be submitted to Ngwathe local Municipality offices before 31 August of the year before the study course is to be commenced. Provisional approval will be given on condition that Grade 12 results will be submitted to the Municipality before any payments can be effected. Should an applicant not provide these results, he/she will forfeit the bursary.

6.5 Cancellation of Studies

All cancellations must be done in writing before the Municipality makes any payments to an institution failing which the Municipality will request the student to pay back the money to defray costs.

6.6 Repayment of Study Debt in the Case of Breach of Contract

In accordance with the signed agreement, the full amount owed must be paid to the Ngwathe local Municipality when breach of contract has occurred. Treasury may approve the repayment of a debt in instalments through the debtor's written request.

Act No 66 of 1975 (Exchequer Act), section 26 (6) of the said act, and provide that the minister of Finance may from time to time determine the interest rate at which debts to the State must be repaid. Such interest is calculated monthly on the diminishing balance, from date of the breach of contract in accordance with section 34 (a) of the said act.

7. INTERNAL BURSARY SCHEME FOR CHILDREN OF EMPLOYEES

7.1. Objectives:

To render financial assistance to employees of Ngwathe in order to enable their children to equip themselves academically for a working career.

7.2. Who Qualifies for a Bursary?

Study bursaries are granted to children and/or legally adopted children of permanent Ngwathe employees who are members of a Pension/Provident Fund, study bursaries will only be granted to Ngwathe employees whose spouses are not entitled to the same benefit from their respective employer.

7.3. Value of Bursary

Subject to the provisions of paragraph 4.7 the amount of the bursary is linked to the actual costs of tuition, accommodation, prescribed books and registration fees of the specific course with the submission of conclusive documentation.

7.4. Conditions

7.4.1. The bursary holder may pursue any course on a full-time basis at any registered higher educational institution that is approved by Ngwathe.

7.4.2. The bursary is granted free of charge, but should the bursary holder fail to comply with the conditions as laid down, the bursary amount must be repaid in accordance with the terms of paragraph 7.5.

7.4.3. Bursaries are limited to a course with a University of Technology, or another tertiary educational institution within the Republic of South Africa, as approved by Ngwathe, with a curriculum not exceeding 5 years for an undergraduate qualification, provided Ngwathe may also consider on merit, a field of study that does exceed 5 years.

7.4.4. Ngwathe's interest must be noted with the Pension/Provident Fund as security.

7.4.5. The relevant bursary agreement must be duly signed prior to disbursement of a bursary.

7.5. Liabilities of Bursary Holder

7.5.1. The bursary holder is obliged to provide Ngwathe with a copy of his year-end exam results within one month of receipt of such notice.

7.5.2. Should a bursary holder fail a subject or subjects in any year of study, but wishes to continue with the course, he shall be liable for payment of the cost of such failed subject(s): on condition further that should he decide to pursue other subjects in the place of those failed, such fees shall also be for his own account.

7.5.3. Should a bursary holder terminate or suspend his/her studies of his/her own volition or is suspended due to misconduct or is for whatever reason unable to continue with his/her studies, the bursary holder shall inform Ngwathe of such an event within one month and the bursary shall become repayable within 12 months at an interest rate as determined by Ngwathe from time to time; with the condition further that Ngwathe may extend the repayment period on merit.

7.5.4. Should the Employee (father, mother or legal guardian) leave the employ of Ngwathe (excluding on retirement with pension or as a result of permanent disability or death) before the completion of the relevant bursary holder's studies, the bursary shall lapse in as far as it concerns the balance of the period for which the bursary was approved.

7.5.5. In the event of the death of the bursary holder before completion of his/her studies the bursary shall lapse.

7.5.6. Should a student wish to change his/her field of study, Ngwathe's approval must first be obtained. Should such a change lead to the extension of the period of study, the cost of the additional period shall be for his own account.

7.5.7. Ngwathe reserves the prerogative to compel a bursary holder to take up duties with Ngwathe after completion of his/her studies for at least half of the period for which a bursary was paid to him/her.

8. STAKEHOLDER ANALYSIS

Role	Responsibility
Municipal Manager / Director Corporate Services (subject to its delegations if any)	Approval of bursaries
Council	
Line Manager	
Human Resources	Compilation of Memorandum of Agreement
Line Manager	Hold a development discussion with the employee and agree course of study
Employee	Sourcing of approved institution, Signing of Memorandum of Agreement, application for study leave
Labour Representatives	

9. AUTHORITY

Formulation Policy	:	Municipal Manager
Authorisation Policy	:	Council
Ownership and Maintenance Manager	:	Director Corporate Services

ANNEXURE

**INTERNAL BURSARY SCHEME FOR CHILDREN OF EMPLOYEES
MEMORANDUM OF AGREEMENT**

Entered into by and between

NGWATHE LOCAL MUNICIPALITY

(hereinafter referred to as “Ngwathe”)

herein represented by _____ in his capacity as
Municipal Manager duly assigned thereto in terms of **delegation of powers**

and

(hereinafter referred to as “the Employee”)

and

(hereinafter referred to as “the Student”)

supported by and with the approval of his/her legal guardian

resident at

WHEREAS the Employee has applied for participation in Ngwathe’s Internal Bursary Scheme for Children of Employees in order to enable the Student to obtain the qualification

(specify) (hereinafter referred to as “the Course”) over a period of _____ years at the _____ (specify); and

WHEREAS the Employee’s application has been approved subject to certain conditions; and

WHEREAS the Employee and Ngwathe are in agreement regarding the terms and conditions in respect of the granting of such a bursary.

THEREFORE THE PARTIES NOW AGREE AS FOLLOWS:

1. Ngwathe herewith grants a bursary to the Employee with effect from the _____ academic year for the _____ institution of study.
2. The amount of the bursary is equivalent to the actual costs of tuition and registration fees and is payable on submission of the necessary corroboratory documentation as required by Ngwathe and is at all times subject to the availability of funds and Ngwathe provides no guarantees that further amounts for the remaining academic years will be granted to the Employee in respect of the student for the course concerned.
3. The Employee herewith commits to paper that the Student is his/her biological and/or legally adopted child.
4. The Employee undertakes to enrol the student as a full-time student with effect from the _____ academic year at _____ institution of study and each subsequent year for the duration of the Course in order to undergo tuition for the _____ Course within the period of _____ or longer period, as Ngwathe may allow.
5. The Employee undertakes to forthwith submit written proof of the enrolment of the Student for the course, to Ngwathe.
6. The bursary is granted to the Employee free of charge, subject thereto:
 - 6.1 That Ngwathe's interest as contained herein be listed with the Employee's Pension/Provident Fund;
 - 6.2 That the Employee submits to Ngwathe a copy of the Student's semester and year-end exam results within one month after publication thereof;

- 6.3 That should the Student fail a subject/subjects during any year of study and wish to continue with the course, the Student shall be responsible for the cost of the repeated subject(s): provided that if the Student decides to pursue new subjects in place of those he had failed, the cost of such subjects shall be for his/her own account.
- 6.4 If the Student should terminate his/her studies at his/her own volition or is suspended as a result of misconduct or is for whatever reason unable to continue his/her studies, the Student shall inform Ngwathe of such an occurrence within one month thereof. The total amount of the bursary shall then be repaid to Ngwathe within a period of 12 months at an interest rate as determined by Ngwathe from time to time and the Employee herewith thus authorises Ngwathe to deduct the bursary amount from his/her salary in equal monthly instalments.
- 6.5 That, in the event of the Employee leaving Ngwathe's employ (excluding on retirement with pension, permanent disability or death) before the Student has completed his/her studies, the bursary shall lapse in as far as the remaining period for which the bursary was approved is concerned;
- 6.6 That the bursary shall lapse if a student dies before completion of his/her course;
- 6.7 That, should the Student wish to alter his/her field of study in any year during the period for which the bursary had been granted, he/she shall first obtain Ngwathe's approval: provided that if the change leads to the extension of the study period, the costs for the additional study term shall be for the students own account;

- 6.8 That Ngwathe may expect that, after completion of his/her studies, the Student takes up a position in Ngwathe's employ for a period equal to half of the period for which the bursary had been granted to him/her, on a salary scale applicable to the position at the date of his/her appointment: provided that the relevant service period may not coincide with any other period of service owing to any other organisation or in terms of a contract with Ngwathe;
- 6.9 That Ngwathe may at any time at its own explicit discretion defer or suspend the bursary if the Student fails to make satisfactory progress and Ngwathe may in this respect request the necessary progress reports from the institution concerned; and
- 6.10 That Ngwathe may, without notice, suspend the bursary if the Student or the Employee fails to honour any of the terms of this agreement in which case the terms of clause 6.4 and 8 is mutatis mutandis applicable.
7. The Student and Employee further record that they are fully conversant with the terms of Ngwathe's Internal Bursary Scheme for Children of Employees as approved by Ngwathe, that forms part of this agreement and of which a copy is herewith attached and that this agreement shall at all times be read together with the relevant scheme.
8. It is an explicit condition of this agreement that if an Employee should resign from Ngwathe's employ or is dismissed while already having made a repayment commitment to Ngwathe in respect of the amount of the bursary, the amount shall immediately become repayable to Ngwathe and the Employee herewith authorises Ngwathe irrevocably to set-off any amounts owing to the Employee by Ngwathe, against the amount of the bursary: Provided that in the event of the aforesaid funds being insufficient to redeem the outstanding amount, Ngwathe may request the Employee's Pension Fund to pay over an amount equal to the outstanding bursary amount, to Ngwathe.

9. Nothing contained in this agreement makes any encroachment on any other legal resources at Ngwathe's disposal in order to recover debts incurred by reason of this agreement, from the Student or the Employee.

10. The Employee and Student elect as their domicilium citandi et executandi for the purposes of this agreement the under-mentioned residential address:

11. The Employee and Student both agree on date of entering into this agreement, to the jurisdiction of the Magistrate Court in respect of any action or lawsuit that may arise hence from this agreement, the cancellation thereof or any concomitant circumstances.

12. It is recorded that the words "the total bursary amount" in clause 6.4 and 8 herein, means the accumulated amount that is granted annually as from the _____ academic year in terms of this agreement to the Employee, minus any amount already repaid to Ngwathe by the Employee, in this regard.

DULY CONTRACTED AND SIGNED ON BEHALF OF NGWATHE AT NGWATHE ON THIS _____ DAY OF _____ IN THE PRESENCE OF THE UNDERSIGNED WITNESSES:

WITNESSES:

1. _____

2. _____

ON BEHALF OF NGWATHE

**DULY CONTRACTED AND SIGNED BY THE STUDENT AT NGWATHE ON THIS
_____ DAY OF _____ IN THE PRESENCE OF
THE UNDERSIGNED WITNESSES:**

AS WITNESSES:

1. _____

2. _____

STUDENT
(Supported by Parent/Legal
Guardian)

I, the undersigned _____

declare and confirm herewith that I am the parent/legal guardian of

and that I agree thereto unconditionally that the above agreement be entered into by him/her and that I have supported him/her in the conclusion of the agreement in question.

AS WITNESSES:

1. _____

2. _____

PARENT/LEGAL GUARDIAN

DULY CONTRACTED AND SIGNED BY THE EMPLOYEE AT NGWATHE ON THIS _____ DAY OF _____ IN THE PRESENCE OF THE UNDERSIGNED WITNESSES:

AS WITNESSES:

1. _____

2. _____

EMPLOYEE