NSFAS:
New Revised Vision, Mission and Values

VISION

A model public entity operating within the public post-school education ecosystem that provides equitable access to financial and other resources for eligible students in an efficient, transparent, and professional student-centric manner.

MISSION

To be an agile, responsive, and student-centric resource provider within the public higher education ecosystem.

VALUES

Values	Behaviours
1. Social justice	The fair distribution of resources to eligible students
2. Integrity (Trust)	To demonstrate ethical conduct that must be beyond reproach and accepted as such by all stakeholders
3. Excellence	To have a high-performance culture to meet the expectations of stakeholders with efficiency and impact

Prefunders 2018 to 2022
A changed landscape

NSFAS
National Student Financial Aid Scheme

2018

- Portfolio 2,3 billion

- Combined National Government departments (6 x Funders) = R1,5 billion

- NSF = R580 million (5 x programmes)

- NSFAS Recoveries Funding (4 x programmes) = R79 million

- Combined SETA = R196 million (6 x SETAs)

- 30 000 students

- Systems funding and payments: processes

2022

- Portfolio 1,6 billion

- Combined National Government departments (5 x Funders) = R1,4 billion

- NSF = 165 million (3 x programmes)

- NSFAS Recoveries R89 million (1 x program)

- Combined SETA = R10 million (2 x SETAs)

- 19 000 students

- 100% Manual process

What has changed?

Austerity measures – escalating costs discontinued funding and reduced student funding budgets

Focus: Student Wellness v Bursary/Grant funding

Stratified Compliance and Governance interventions

New Funders - COID
Offboarding - DSD

Gaps: Lack of systems to support differentiated funding

Processes

Prefunder Processes

- Recruitment

- Contracting

- Data Protection and Privacy

- Compliance

- Claims

- Payments

- Remittances

- Reporting

Document Management - New

Recruitment - Applications

RECRUITMENT AIM
The development of a sustainable recruitment strategy for eligible students

Financial challenges
- high tuition fees
- cost of living expenses
- limited access to funding sources

Defining the eligibility criteria
- Income threshold
- Academic performance
- Field of study

Potential sources
- Government departments
- Private Corporations
- Educational institutions

2023 Funding for missing middle:
** **COID** (Focus : Scarce Skills & age under 25 years)
** **MERSETA** (Focus : Scarce Skills especially engineering)

NSF – 2024 funding proposed

Contracting: Bursary Agreement Form

Contracting
- Accountability
- Ensuring that funds are used as intended
- Upholds transparency amongst all parties

Terms and Conditions
- Obligations
- Consequences of non-compliance
- Ethical considerations

Bursary Agreement Form and ID copy

Collate and store the BAF as well as the ID Copy,
Ensure that the student details, bursary value, signature are clearly reflected
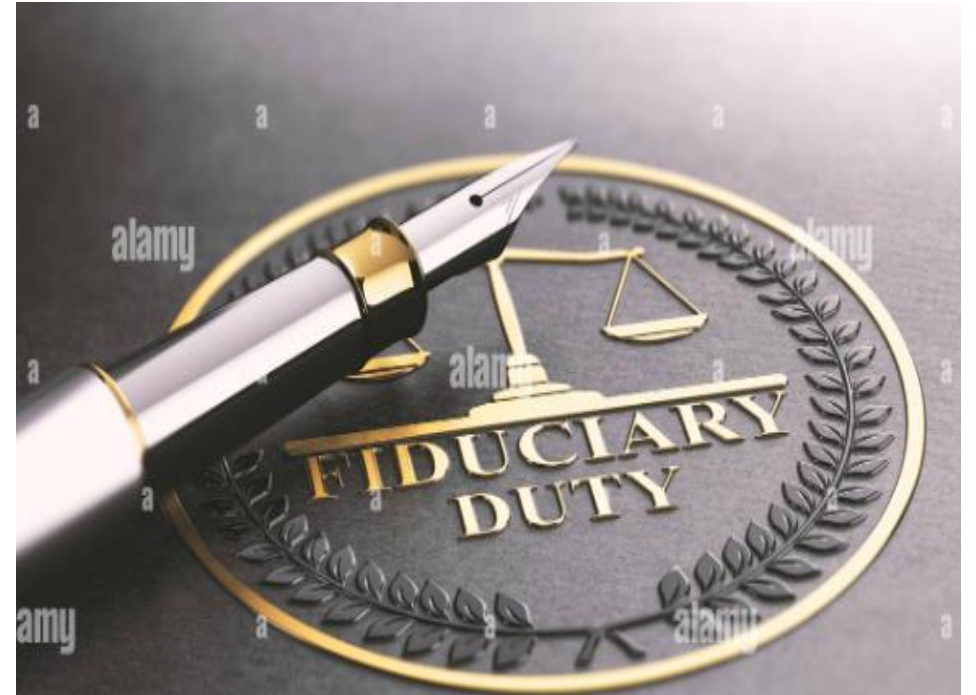
Missing Middle
Bridging the gap

The term **"Missing Middle"** refers to students who fall into the income bracket that is above the threshold for receiving financial aid from programs like the National Student Financial Aid Scheme (NSFAS) but still struggle to afford the high costs of tertiary education. Here are the key reasons why addressing the funding needs of the Missing Middle is crucial in South Africa:

- Access to Higher Education

- Reducing financial barriers

- Skills Development

- Addressing income inequality

Funding for the Missing Middle is essential not only for the individual students who benefit but also for the overall socio-economic development and global competitiveness of South Africa. It represents an investment in the country's future, ensuring that all deserving students have the opportunity to pursue higher education and fulfill their potential.

Data Usage

Data Protection and Privacy
Purpose of POPIA –
Key principles of data protection

Definition of personal information under POPIA
- Information related to identifiable individual
- Examples of personal information in application for funding

Data Protection
- Safeguard against identity theft and fraud
- Ensuring of trust and confidence
- Compliance with legal obligations

Collation of personal information through application process
- Application form
- Supporting documents

Handling of Data
- Data encryption
- Access control
- Regular audits

Data Breach
- Notification requirements under POPIA
- Steps taken in each breach

NSFAS
National Student Financial Aid Scheme

Claims Process : Manual

- Obtaining of approved list from NSFAS or Funder

- Contracting the student through a bursary agreement form

- Collating a claims template with total cost of study

- Submit the claims pack to NSFAS

- NSFAS assess claim and submit for payments processing

- NSFAS pays and a proof of payment and remittance is sent to the institution

- Institution to confirm receipt of payment and settles students fee account

- Institution submit a Reconciled file at the end of the Academic year

Payment's processing

- NSFAS receives claims packs for prefunded payments covering tuitions, residence fees, and allowances.

- Each claim pack must be prepared as follows:

  a) Claim Letter – Institution letterhead and signed by the designated official

  b) Registration template, claims amounts for Tuition, accommodation, transport, Allowances, stipends

  c) Student ID Copy

  d) Bursary Agreement Form – signed and dated (stamped)

Important to note:

- Specify Funder name, registration template details must correspond with the claim letter

- State the claim number e.g. Claim 3 of 2023

- Covering letter – acknowledge previous claims and upfronts (show the knock-off amount)

- State the number of students claimed for
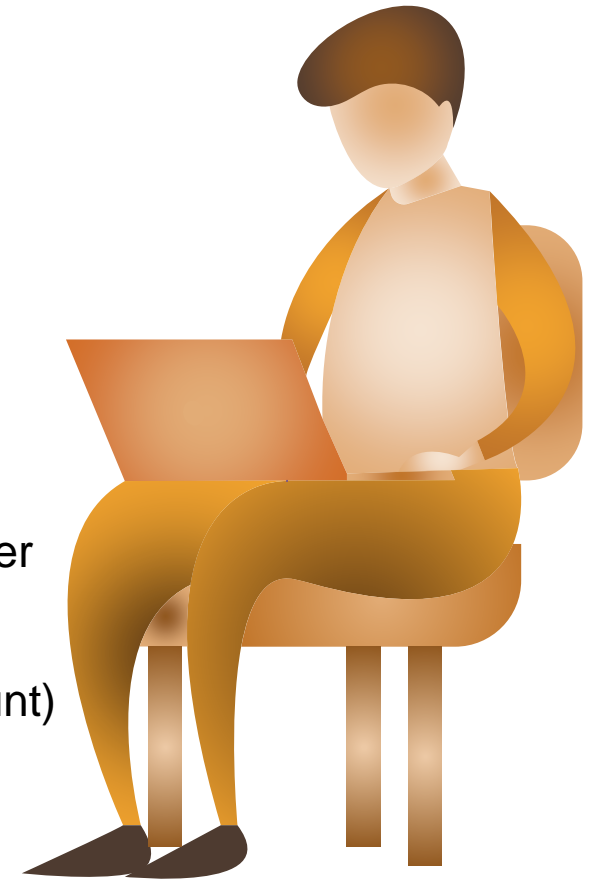
DOUBLE DIPPING

Refers to students receiving multiple sources of funding for the same educational expenses in any given year

Types

- Government scholarships and bursaries
- Private scholarships and bursaries
- Other financial aid programmes

Implications

- Overutilisation of available financial resources
- Reduced availability of funds for other deserving students
- Administrative complexities

Consideration

- Importance of equitable access to education

Limitations

- Limited monitoring and enforcement mechanisms

- Lack of coordination among funding agencies

*** *importance of fair and transparent higher education funding policies*

Update Claims Process

Double Dipping : Claims Rejections

At the end of the 2022/23 Financial year, 4800 students (30% of the 2022 FUNZA funded cohort) were published as having received approval for DHET funding.

As a result of the 2022 Double Dipping instances uncovered during the Bursary Expenditure AUDIT, NSFAS is adding a verification step to the claims process.

Students from the 2023 FUNZA claims template are being rejected as the students received 2023 DHET funding approval.
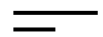
Universities must identify students receiving funding from more than one source and inform
NSFAS so that NSFAS allocations are adjusted accordingly based
on the amounts of other funding received.

Way forward : Universities to submit Claim two (2) for the rejected students with a Declaration stating the students 2023 preferred Funder (FUNZA or DHET).

NSFAS will process payment to the institution within 30 days of receipt of the claim and
required documentation.

Credits (Declaration & refunds)

Credits/Overpayment in the NSFAS Context

credits occur when a student's funding exceeds their fees

Reasons for Credits

-Changes in a student's academic program

-Late registration

-Withdrawal from courses

-Funding from other sources

Process

-Timelines for returning credits

-Reporting and documentation requirements

-Implications of non-compliance

Institution Role
- Timely reporting to NSFAS
- Transparency in financial aid management
- Collaboration with NSFAS and providing an input in policy development

Student Impact
- Future eligibility for financial aid
- Avoiding over-indebtedness when funds need to be paid back (where applicable)
- Ensuring fairness and sustainability of financial aid programs

Reporting

NSFAS reports quarterly to its funders

The reports are used for :

1. Accountability

2. Fulfilling funder MOU requirements

3. Assessing impact

4. Identifying challenges and solutions

5. Strategic planning

6. Budget and Monitoring

7. Risk Management

Funders expect to see the following :

- Biographical Data

- Cost of study breakdown at line item

- Academic performance

- Indication of any changes to registration status

Compliance

PFMA
- Purpose and Objectives
- Legal framework for PFMA

Guidelines include but not limited to
- Eligibility criteria
- Bursary award process
- Reporting and monitoring

Benefits of adherence
- Access to funding resources
- Alignment with national educational goal

Importance of accountability and transparency
- Proper documentation and record-keeping
- Openness in decision-making
- Compliance with reporting requirements
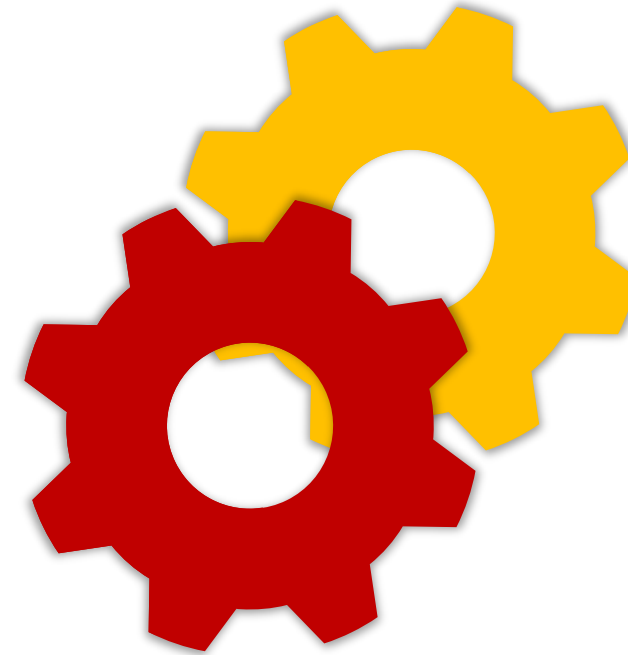
2022 Findings

1. Delays in disbursements to eligible students

Solution: Timeliness of Payments: student being deemed to be eligible for funding, being funded, registering, signing the contract, receiving some disbursements, completing the academic year

  - sufficiently robust controls and timely reconciliations and communications with institutions, these transactions would have been recorded either in the related period or shortly after.

  - Streamlined payment process and enhanced communication with higher education institutions

  - Increased use of digital platforms for seamless fund transfers

2. Record keeping : Non-submission or delayed Approved Reconciliations –

Required timeline submission: 31 January

Draft AFS are required 28 Feb annually

Solution: Documentation and Verification: Timely access to ensure that complete, relevant and accurate information is available for audit purposes.

  - Introduction of an online portal for secure financial information submission

  - Strengthened communication to emphasize the importance of accurate documentation

3*. Double Dipping - improvements required*

Requirements for Payments AUDIT assessment
Bursary Expenditure Documentation

The request for information should appropriately be coordinated and timely distributed to different role-players to enable consolidation of all documents required and related submission.

The pack should include:

1. Approved list of students were selected sample above is included.

2. Directives (Allocation letters, upfront payments and business rules)

3. Institutional claims, reg template

4. Institutional claims, claims letter

5. Finance payments memo

6. Proofs of payments

7. Reconciliation workbook

8. Bursary agreements

Unfulfilled: Limitation of scope

non-compliance with s55(1) and 54(1) of the PFMA and a limitation on the scope of Bursaries

2023

Moving from Metrofile to the NSFAS SFTP

New: Receipt and storage of hardcopy documents from Universities

During the COVID19 period until the end of 2022, a temporary solution was utilised through the METROFILE platform, this solution has been discontinued.

NSFAS is providing a platform for universities to upload files and folders for the Prefunded cohort of students.

Login credentials will be provided with authorised officials (speak to Thandiswa Klaas)

Thank you for your Support

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