

PCHET PRESENTATION

05 OCTOBER 2023



DIRECT PAYMENTS

TYPES OF ALLOWANCES PAID VIA DIRECT PAYMENTS

- ❑ NSFAS pays the below allowances to university students via direct payments:
 - Living allowances
 - Book allowances
 - Meal allowances
 - Travel allowances

PLAN TO RESOLVE DIRECT PAYMENT CHALLENGES

- ❑ NSFAS took over direct payments at TVET Colleges in November 2022 and at universities in June 2023.
- ❑ the organization has made strides in the onboarding of students for them to receive their allowances each month.
- ❑ NSFAS took note of the challenges that are continuously being raised by students and institutions regarding direct payments and the NSFAS Board devised a 7-step process.

PLAN TO RESOLVE DIRECT PAYMENT CHALLENGES Cont.

The 7-step process is outlined below:

- Formation of 2 teams to report directly to the Acting CEO regarding the student challenges (Done)
- The teams should visit at least 10 universities and 20 TVET Colleges over 10 days, starting Monday 11 September until Friday 22 September, to observe the challenges on the ground (the teams should be there the whole day and listen to the students' challenges) (Done)
- The teams to report back to the Acting CEO in a written report.
- The Acting CEO, having reviewed the report, develops a response strategy.
- The Acting CEO will be reporting to the Board. (Week starting 09 October)
- The Board, having applied its mind and having made amendments, then develops its own report to the Minister.
- Conditional on the shareholders thoughts – based on the outcomes of the steps taken above, the outcome be made public.

PLAN TO RESOLVE DIRECT PAYMENT CHALLENGES Cont.

- ❑ The teams were formed and included members from senior management in operations, those that deal with appeals, servicing administrators that work with specific institutions, data analysts, communications, and the direct payment partners.
- ❑ University KYC completed stats were mostly above 90% except for a few universities.
- ❑ At TVET Colleges, the KYC completed stats were at 79% overall.
- ❑ TVET colleges have multiple academic terms within one academic year and that with each of these academic terms there is new student intakes, also plays a role in there being a number of students still having to complete their KYC, at any given point.

PLAN TO RESOLVE DIRECT PAYMENT CHALLENGES Cont.

❑ The 10 Universities that were visited are:

➤ Mandela University, Rhodes University, Mangosuthu University of Technology, Durban University of Technology, University of Venda, Wits University, Central University of Technology, North West University, Sefako Makgatho University and University of Pretoria.

❑ The 29 TVET Colleges that were visited are:

➤ Capricorn, King Hintsa, Umfolozi, Motheo, Sekhukhune, Coastal, CJC, Taletso, Tshwane North, Buffalo City, False Bay, Nkangala, Thekwini, Majuba, Letaba, Mopani, Goldfields, Ikhala, King Sabata Dalindyebo, Elangeni, South West Gauteng, Ekurhuleni West, Vuselela, Gert Sibande, Vhembe, Maluti, Mthashana, Northlink and College of Cape Town.

PLAN TO RESOLVE DIRECT PAYMENT CHALLENGES Cont.

- ❑ Although the detailed report is going to the CEO, the following are general observations.
- ❑ The NSFAS teams that visited the institutions met with the financial aid management, bursary officers and Student Representative Councils (SRC's) where challenges from students were presented for resolution.
- ❑ The challenges experienced by students across the institutions are:
 1. Slow distribution of bank cards.
 2. Cyber-attacks - Instances of cyber-attacks threaten student accounts, system integrity issues and cases of alleged fraud.
 3. Non-responsiveness / Delays in Query Handling.
 4. Partner Capacity Limitations – resources on the ground
 5. Registration Template Errors - Errors in registration and adjustment templates lead to processing delays and blocking of allowances.

PLAN TO RESOLVE DIRECT PAYMENT CHALLENGES Cont.

6. NSFAS Data Remediation Impact - Defunding and funding status changes strained the relationship between NSFAS and the stakeholders and affects the integrity of the direct payment method as students are not able to differentiate between NSFAS and partner glitches.
7. Underage Students' Onboarding process – There was a delay between NSFAS and the partners coming up with a FICA compliant process to KYC underage students.
8. Excessive bank charges.

SOLUTIONS TO THE CHALLENGES

1. **The distribution of bank cards has been prioritized with partners going to campuses.** It was delayed as some student leaders had disrupted the distribution at some universities by vandalizing the cards and threatening the teams that were on the ground and chasing them out of the universities.
2. Instances of alleged fraud are being investigated by the NSFAS forensic unit. Partners have increased their cyber security measures.
3. NSFAS has requested the partners to create a dashboard specifically giving NSFAS the information it needs for reporting. This will enable NSFAS to respond speedily to challenges raised by institutions and students. This will also alleviate the issue of non-responsiveness of the partner call centres and query handling mechanisms
4. NSFAS will send out servicing administrators, together with resources from the partners to assist with student queries, KYC and the distribution of cards during October so that challenges are resolved before the exam period.

SOLUTIONS TO THE CHALLENGES Cont.

5. NSFAS servicing administrators and data analysts are working with the institutions to fix the registration and adjustment template errors to enable a seamless disbursement process for the payment of allowances.

6. NSFAS is working extensively at gaining student confidence through proper working systems and integration between the student portal and internal system.

7. Partners have put in place a simplified onboarding mechanism for underage students.

8. Excessive bank charges - response is on the next slides.

☐ The institutional support teams continue to hold bi-weekly meetings with the FAO's and the partners.

FEES JOURNEY

- ❑ The program initially introduced an R89-00 fee bundle that included in excess over 30 free transactions.
- ❑ In October 2022, a R29-00 fee bundle was introduced with 12 free transactions.
- ❑ Student leadership were consulted to ensure the NSFAS beneficiaries transacted with the best suited fees model.
- ❑ In June 2023 a R12-00 fee account and “pay as you transact” fees model was adopted.
- ❑ All fees out of bundle being transparent and agreed upon.

NEGOTIATED BANK ACCOUNT FEES

No.	Description	R12 Account Fee
	Out of Bundle Transactions	
1.	ATM withdrawal (own ATM)	R10 plus R2,50 per R100
2.	ATM cash withdrawal (other ATM)	R10 plus R2,50 per R100
3.	POS cash withdrawal	R5 plus R1,50 per R100
4.	POS swipes	R2 Per R1000
5.	Card replacement fee	R50
6.	Card replacement delivery fee	R60
7.	EFT from another bank	R3,50
8.	Pin reset	R6,50
9.	Declined ATM transaction	R8
10.	Declined ATM transaction and card swallowed	R10
11.	Value Added Service Fee	0,90c
12.	Notifications	0,15c

2023 UNI Payments

Row Labels	Records	Actual TuitionFee	Tuition Disbursed	Total Allowance Claim	Allowance Disbursed
CAPE PENINSULA UNIVERSITY OF TECHNOLOGY	19,139	574,386,842.00	425,239,408.00	1,004,711,478.00	801,004,532.00
CENTRAL UNIVERSITY OF TECHNOLOGY	11,085	307,049,958.00	212,434,404.00	631,415,906.50	478,751,082.00
DURBAN UNIVERSITY OF TECHNOLOGY	22,698	847,613,454.00	647,151,500.00	1,282,315,874.79	1,045,317,693.00
MANGOSUTHU UNIVERSITY OF TECHNOLOGY	9,508	218,622,177.00	137,029,530.00	577,592,988.00	412,076,438.00
NELSON MANDELA METROPOLITAN UNIVERSITY	18,077	603,612,770.00	444,717,993.00	1,060,599,218.00	857,213,075.00
NORTH-WEST UNIVERSITY	27,585	1,256,711,489.00	915,045,006.00	1,492,907,225.81	1,175,887,126.00
RHODES UNIVERSITY	3,331	186,791,673.00	130,443,907.00	221,386,260.00	146,429,565.00
SEFAKO MAKGATHO HEALTH SCIENC UNIVERSITY	2,944	166,560,089.25	119,398,047.00	168,990,990.20	128,880,306.00
SOL PLAATJE UNIVERSITY	3,086	112,359,986.00	80,150,471.00	194,141,106.00	142,062,277.00
TSHWANE UNIVERSITY OF TECHNOLOGY	37,593	1,657,141,901.00	1,239,579,059.00	2,228,374,631.66	1,740,662,717.00
UNIVERSITY OF CAPE TOWN	5,444	380,780,129.50	278,617,052.00	322,334,089.50	247,833,807.00
UNIVERSITY OF FORT HARE	11,438	442,358,039.10	325,400,315.00	701,842,806.00	490,898,063.00
UNIVERSITY OF FREE STATE	23,905	1,065,908,120.98	801,294,280.00	1,465,991,331.00	1,133,696,775.00
UNIVERSITY OF JOHANNESBURG	24,289	1,001,621,007.00	759,519,134.00	1,602,541,441.00	1,284,089,920.00
UNIVERSITY OF KWAZULU NATAL	24,846	1,167,579,000.00	889,556,993.00	1,401,432,733.00	1,144,262,287.00
UNIVERSITY OF LIMPOPO	15,970	629,905,637.50	392,156,378.00	641,802,935.00	435,145,917.00
UNIVERSITY OF MPUMALANGA	6,514	257,829,974.50	191,801,256.00	340,750,714.74	279,509,351.00
UNIVERSITY OF PRETORIA	11,381	572,682,922.89	91,543,517.00	731,002,776.48	95,487,188.00
UNIVERSITY OF SOUTH AFRICA	149,602	2,115,138,460.00	1,311,001,487.00	905,071,135.00	665,676,353.00
UNIVERSITY OF STELLENBOSCH	4,639	275,313,435.06	199,583,393.00	294,886,440.00	222,020,905.00
UNIVERSITY OF THE WESTERN CAPE	11,209	404,718,350.00	300,769,677.00	579,502,987.00	454,592,910.00
UNIVERSITY OF THE WITWATERSRAND	10,241	606,774,176.98	409,664,488.00	657,865,305.00	423,382,153.00
UNIVERSITY OF VENDA	10,173	382,670,521.00	257,587,466.00	564,865,677.53	478,579,609.00
UNIVERSITY OF ZULULAND	12,295	383,394,515.75	309,053,243.00	492,470,911.20	409,995,721.00
VAAL UNIVERSITY OF TECHNOLOGY	12,193	356,755,608.00	269,032,738.00	793,812,286.00	632,180,708.00
WALTER SISULU UNIVERSITY	22,023	772,929,742.00	542,229,016.00	1,137,131,727.00	987,358,705.00
Grand Total	511,208	16,747,209,979.51	11,679,999,758.00	21,495,740,974.41	16,312,995,183.00
				Total Projection	38,242,950,953.92
				Total Paid	27,992,994,941.00

ONBOARDING- UNIVERSITIES – 3rd OCTOBER 2023

INSTITUTION NAME	TOTAL ONBOARDING LIST	KYC COMPLETED	KYC COMPLETED %	CARDS ISSUED	CARDS %	PENDING KYC	PENDING KYC %
CAPE PENINSULA UNIVERSITY OF TECHNOLOGY	18,114	17,383	96%	4,268	25	731	4%
CENTRAL UNIVERSITY OF TECHNOLOGY	9,147	8,846	97%	1,928	22	301	3%
DURBAN UNIVERSITY OF TECHNOLOGY	21,275	20,902	98%	16,579	79	373	2%
MANGOSUTHU UNIVERSITY OF TECHNOLOGY	8,516	8,252	97%	4,634	56	264	3%
NELSON MANDELA METROPOLITAN UNIVERSITY	16,136	15,642	97%	4,471	29	494	3%
NORTH-WEST UNIVERSITY	23,315	23,131	99%	14,221	61	184	1%
RHODES UNIVERSITY	3,092	2,865	93%	2,316	81	227	7%
SEFAKO MAKGATHO HEALTH SCIENC UNIVERSITY	2,510	2,313	92%	818	35	197	8%
SOL PLAATJE UNIVERSITY	2,895	2,749	95%	1,475	54	1,668	5%
TSHWANE UNIVERSITY OF TECHNOLOGY	34,584	34,186	99%	21,680	63	398	1%
UNIVERSITY OF CAPE TOWN	5,141	4,728	92%	1,940	41	413	8%
UNIVERSITY OF FORT HARE	9,902	9,246	93%	4	0	656	7%
UNIVERSITY OF FREE STATE	21,929	21,455	98%	16,265	76	474	2%
UNIVERSITY OF JOHANNESBURG	22,541	21,348	95%	5,446	26	1,193	5%
UNIVERSITY OF KWAZULU NATAL	24,269	23,384	96%	9,986	43	885	4%
UNIVERSITY OF LIMPOPO	14,550	14,097	97%	11,178	79	453	3%
UNIVERSITY OF MPUMALANGA	6,324	6,066	96%	4,252	70	258	4%
UNIVERSITY OF PRETORIA	10,525	10,051	95%	6,511	65	474	5%
UNIVERSITY OF SOUTH AFRICA	123,790	77,633	63%	9,392	12	46,157	37%
UNIVERSITY OF STELLENBOSCH	3,917	3,334	85%	2,376	71	583	15%
UNIVERSITY OF THE WESTERN CAPE	10,137	9,786	97%	2,320	24	351	3%
UNIVERSITY OF THE WITWATERSRAND	9,348	8,230	88%	5,057	61	1,118	12%
UNIVERSITY OF VENDA	9,668	9,559	99%	4,907	51	109	1%
UNIVERSITY OF ZULULAND	11,710	11,543	99%	7,711	67	167	1%
VAAL UNIVERSITY OF TECHNOLOGY	11,418	11,135	98%	8,651	78	283	2%
WALTER SISULU UNIVERSITY	21,348	20,748	97%	2,751	13	600	3%
TOTAL	456,101	398,612	87	171,137	43	81,069	13%

THANK YOU