

**SECTION HR 19**

**AM AHLATHI**  
**MUNICIPALITY**

**EMPLOYEE**

**BURSARY**

**SCHEME /**

**POLICY**

## SECTION HR 19

### EMPLOYEE BURSARY SCHEME / POLICY

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## SECTION HR 19

### EMPLOYEE BURSARY SCHEME / POLICY

#### 1. Preamble

This policy sets out the parameters in accordance with which the Municipality may grant financial assistance to employees who wish to acquire the necessary qualifications, to perform specific occupational tasks, general administrative tasks and technical tasks to ensure effective service delivery.

The Human Resources Department involves a dynamic partnership between management and staff, which in addition to management's commitment to staff development, also requires that management impress upon employees what it expects in return, in the form of improved work performance, for those whom time and financial resources have been invested.

The return for investment needs to be demonstrated by the employees through a consistently high work performance and meaningful contribution to the realisation of the goals of Amahlathi Municipality.

It should be pointed out that each application for Bursary Assistance shall be judged on its own merit and due consideration shall be given to those applicants who wish to study in those fields where difficulty is being experienced in the recruitment of suitably qualified staff. Therefore, persons who wish to study shall give careful consideration to the field of study, their capabilities, aptitude and talents when deciding on a course of study.

**Employees who do not qualify for bursaries shall be encouraged to proceed with their intended studies at their own costs in order to equip themselves for their existing and future careers.**

The guidelines set out below are based on the principle regarding the granting of Bursary Assistance to Serving Employees. These guidelines are applicable to all bursars and shall be adhered to in order to ensure consistency within the Amahlathi Municipality.

#### 2. Purpose

The purpose of the Bursary Assistance scheme is to grant financial assistance to employees who undertake studies in specifically identified areas, where there is a critical shortage of personnel with suitable qualifications within the Amahlathi Municipality and where the posts cannot be readily filled through the recruitment of qualified people.

### 3. Definitions

Unless stated otherwise in this policy document, the under-mentioned terms in alphabetical order are defined as follows:

**Base Qualification** refers to a minimum period of tertiary study necessary for the attainment of a qualification.

**Bursaries** refer to the payment by Amahlathi Municipality on behalf of employees to undertake studies. It includes all or some of the following: fees, registration, tuition, administration, examination and book allowance towards Certificates, Diplomas or Degrees offered by Technikons, Technical Colleges and Universities which are relevant to the functions performed by the Amahlathi Municipality.

**Contractual Agreement** refers to the legal document signed by the Bursar which states the terms and conditions of the financial assistance that are binding to both the Amahlathi Municipality and the Bursar.

**Financial Assistance** refers to study bursaries.

**Serving Employees** refers to those employees who are currently employed **in a permanent capacity** or specific contracts of employment of not less than two years by Amahlathi Municipality.

### 4. Objectives

The objective of the Bursary Assistance Scheme is to grant financial assistance to employees who undertake studies in specifically identified areas, where there is a critical shortage of personnel with suitable qualifications within the Amahlathi Municipality and where the posts cannot be readily filled through the recruitment of qualified people.

Bursaries shall be granted only to those persons who study at recognised academic institutions for a recognised qualification which is relevant to the functions of the Amahlathi Municipality as a whole.

Financial assistance shall also be granted to those serving employees who wish to obtain a Junior / Senior Certificate qualification.

However, studies towards post graduate qualifications may be considered for bursaries, depending on the relevance of the course and the availability of funds.

Non-South African citizens shall not participate in the scheme unless valid reasons exist to justify a deviation from this ruling.

Notwithstanding the above, cases that do not fall within the scope of the above shall be dealt with on their own merit and recommendations shall be made by the Bursary Committee to the Municipal Manager who shall grant approval with the concurrence of the Mayor.

5. **Conditions under which Financial Assistance shall be granted to Serving Employees**

5.1 **Serving Employees**

5.1.1 Financial Assistance shall be granted to employees **for the duration of their studies**, provided that the amount granted does not exceed the cost of tuition, registration and examination fees for the minimum number of subjects recommended by the tertiary institution concerned.

5.1.2 Employees studying towards the attainment of a qualification which is in line with the **core** functions of the post, shall be given preference in the granting of financial assistance over those who wish to study towards a post graduate qualifications or higher, unless it can be clearly illustrated why preference should be given to an employee who already has a base qualification.

5.1.3 An employee receiving financial assistance **who fails in any subjects or year of study** must immediately repeat the subject(s) failed for the entire year of study, whichever is applicable, at his/her own expense. If the employee discontinues his/her studies or does not repeat the relevant subject(s) or year of study, he/she shall be liable to repay the fees that have already been paid with interest. If however, the employee repeats the relevant subject(s) or year of study successfully, the financial assistance granted to him/her shall continue for the remainder of the course.

5.1.4 The total period of study towards a qualification must not extend for more than the minimum prescribed / recommended duration as applicable to part-time study.

5.1.5 The amount payable in terms of financial assistance shall be reviewed on an annual basis by Amahlathi Municipality, depending on the availability of funds.

5.1.6 If an employee is transferred to another Department within Amahlathi Municipality such Department shall not compel an employee to change his/her study direction if the course is relevant and beneficial to the Amahlathi Municipality as a whole.

## **5.2 Preparatory Phase for Financial Assistance**

- 5.2.1 **Each Head of Department** shall be requested to prepare a Human resources Development Plan. This plan shall contain the following:
- 5.2.1.1 Skills required / shortages in the respective Department.
  - 5.2.1.2 Submit targets for the training and development of employees in specific occupational categories.
  - 5.2.1.3 Specify plans to meet the training and development needs of historically disadvantaged persons.
  - 5.2.1.4 Make provision for succession planning and submit same to the Bursary Committee for consideration.
- 5.2.2 The respective Head of Department shall ensure that sufficient funds are available for the contracted bursary holders and those bursaries are accessible to employees at all levels in the workforce.
- 5.2.3 In the course of each third quarter, the head of Department shall review its Human Resources Development Plans in order to identify the difficulty in filling vacant posts and serving employees who require training. An updated Human Resources Development Plan shall be consolidated and managed by the Human Resources Department.
- 5.2.4 The Human Resources Department shall have to take into account the following:
- 5.2.4.1 Measures contained in the Employment Equity Plan as well as the provision of the Employment Equity Act, 1998 (Act 55 of 1998) to train, retrain and develop black people, women and people with disabilities.
  - 5.2.4.2 Skills Development Training, in terms of the Skills Development Act (Act 97 of 1998) as contained in the Workplace Skills Plan.
- 5.2.5 In the process of management, the Human Resources Department shall call for nominations in terms of training specifications supplied by the respective Head of Department. After the closing date the selection of suitable candidates based on applications received is decided by a especially convened Departmental Committee of

Stakeholders inclusive of Portfolio Councillor, Head of Department and the Representative of SAMWU and IMATU. After the selection process the Human Resources Department shall submit all applications to the Bursary Committee for recommendation. Thereafter the applications shall be forwarded to the Municipal Manager for approval with the concurrence of the Mayor.

### **5.3 Administrative Requirements of Employees**

- 5.3.1 All Bursars shall submit the relevant requests for payment of registration / administration fees, examination fees and tuition fees seven (7) days before the registration / payment due date in order to allow for sufficient time for the administration processes to be completed before the payment can be made. If payment is delayed as a result of the bursar not submitting the relevant documentation timeously, bursars shall be requested to make the necessary payment to the institution concerned and then claim reimbursement from the Amahlathi Municipality. In the latter instance, proof of payment (original receipt) shall have to be submitted. Bursars are also required to submit proof of registration, Amahlathi Municipality shall not be held responsible for the payment of interest on overdue accounts / penalties / cancellation fees or any debt incurred as a result of the discontinuation of studies.
- 5.3.2 Attendance of any lectures shall not adversely affect the function of the Department. Time off can be granted however the provision of special leave will apply.
- 5.3.3 Every successful applicant shall complete and sign an undertaking of which every page must be initialled by the applicant.
- 5.3.4 No money shall be paid on behalf of the student if this undertaking is not completed and signed correctly and submitted to the Human Resources Department.
- 5.3.5 Statement of results shall also be forwarded to the Human Resources Department at the end of each year / semester before payment can be made for the ensuing year.

### **6. Criteria to be considered when Awarding Bursaries**

The following criteria must be considered when awarding financial assistance to an employee:

- 6.1 There must be a critical need for personnel in the relevant Department in the Area within which the applicant requires the qualification.
- 6.2 Employees who display potential and determination but have limited financial resources.
- 6.3 Preference shall be given to employees who during / after attaining their qualification are prepared to bind themselves contractually to serve in specific areas where there is a critical shortage of personnel with the identified qualifications.
- 6.4 Principles of merit, efficiency, career profile shall be taken into account.
- 6.5 Whether the course / qualification is a minimum requirement for career advancement, the course should not be a horizontal qualification, unless there is a critical need for the specific qualification and it leads to further career advancement.
- 6.6 The need to promote the objectives of a representative Municipality.
- 6.7 The service employee must study at the tertiary institution closer to home and must ensure that there is no disruption to the official hours of work. If problems are being experienced officials must be requested to change from part-time study to studying through correspondence.

## 7. Authorisation

In terms of the delegations, the authority to approve Bursary Assistance Scheme rests with the Municipal Manager acting with the concurrence of the Mayor.

The Human Resources Department shall be responsible to ensure that Skills Development Plan is prepared. The plan shall:

- 7.1 identify **skills shortages**;
- 7.2 establish targets for the **training and development** of employees in **specific** occupational categories;
- 7.3 include specific plans to meet the training and development needs of historically disadvantaged persons;
- 7.4 make provision for **succession planning**
- 7.5 ensure that the measures contained in the Employment Equity Plan as well as the provision of the Employment Equity Act, 1998 (Act 55 of 1998) to train, retrain and develop black people, women and people with disabilities are adhered to; and



7.6 ensure that the skills development training, in terms of the skills Development Act, 1998 (Act 97 of 1998) as contained the Workplace Skills Plan is taken into account.

The Head of Department shall ensure that sufficient funds for training are accessible to employees at all levels of the workforce.

## **8. Contractual Agreement and Breach of Contract**

The **parties in the scheme** must contract to serve the Amahlathi Municipality for one year for each year of study.

Redemption of the contract period for an employee who studies part-time beings after the successful completion of the first and each successive year of study.

Where an employee receives assistance **towards the attainment of a Junior / Senior Certificate** contractual service in recompense shall not be required. In the case where the employee fails to complete the certificate successfully, he/she is liable to repay with interest, the amount paid by the Amahlathi Municipality.

If the obligations cannot be fulfilled owing to death or incapacity due to any mental or physical disability, any liability for the refund of any money which may be due in terms of the undertaking shall lapse.

If an employee leaves the service before completing his/her studies, does not make satisfactorily progress towards obtaining his/her qualification, and/or elects not to continue with his/her studies the employee shall be required to re-imburse the Municipality the full amount of bursary money (plus interest) granted to him/her. In the case of an employee who leaves the service, the amount owing will be re-claimed from his/her pension money, failing which an 'out-of-service' debt must be set up. ***In certain instances, which are covered in the bursary contract, apportion of the debt may be redeemed by service obligation.***

In the event of a participant in the scheme wishing to temporarily suspend or discontinue his/her studies or having made unsatisfactory academic progress, it will be incumbent upon him/her to immediately request the Municipality for a deferment of contractual obligation and present the Municipality with a proposal to enable him/her to complete the relevant course / qualification at his/her own cost to avoid immediate steps being taken to institute a recovery of study fees. This deferment however shall not exceed a period of 1 year without the prior approval. In exceptional cases where this deferment exceeds a period of two years prior approval from the head of Department is required.

In the case of a prospective employee who fails to complete his/her studies satisfactorily and/or does not fulfil, for any reason other than those mentioned above, his/her service obligation, and 'out-of-service' debt will be instituted against him/her and he/she may be liable for the full amount of the bursary (plus interest) which will be recovered from him/her.

The Municipality will allow its bursars to serve internship / undertake research towards the fulfilment of the Diploma / Degree. The Department will have to maintain accurate records of study plans and performance / achievements of bursars in their respective tertiary institutions.

**9. Release from Duty to Study Full-Time: Serving Employees**

Employees shall not be permitted to study at a tertiary institution on a full-time basis with retention of salary, if they are granted financial assistance.

**10. Change in Study Direction or Institution**

Authority may be granted to employees to change their direction of study or institution provided that:

- 10.1 The new field of study complies with the criteria laid down in paragraph 6 above.
- 10.2 The student repeats an equal number of subjects, at his/her own expense, for which the Municipality has paid in respect of his/her initial study direction but which are not recognised in the new field of study.
- 10.3 The new institution is a recognised institution.

**11. Take-Over of Bursaries and/or Student Debts**

An employee who transfers from one Department to another is regarded as having breached his/her Study Bursary Contract.

A take-over of a Bursary Contract may, however, be negotiated between Departments, provided that the employee's study direction, when considered in the context of the functions of the receiving Department, complies with the criteria set out in paragraph 6 above.

The take-over of a Bursary Contract may include the receiving Department financially re-imbursing the Department which granted the Bursary, for any year of study which has not yet been redeemed by service obligation. The responsibility for any future financial / service obligations resulting from the granting of the Bursary will be borne by the receiving Department.

## **12. Administration of Bursaries**

In view of the importance accorded to training and Development by the White Paper on Human Resources Management as well as the White Paper on Training and Development, it is essential that the Municipality makes adequate provision, on their establishment structure, for a component to manage / administer bursaries in an efficient and effective manner.

It is imperative that the personnel selected for this component are well-trained in all aspects of the scheme as they will be responsible for all matters relating to Bursary Administration including recommendations regarding the awarding of Bursary Scheme, budgeting and the maintenance of a Bursary Register.

In accordance with the provisions of Treasury Regulations a Bursary Register, which will reflect all payments, should be kept. The following information must be recorded:

- 12.1 Date of Payment
- 12.2 Cheque Number
- 12.3 To Whom Paid
- 12.4 Name of Bursar / Employee Number
- 12.5 Amount Paid
- 12.6 The Allocation
- 12.7 Description of Transaction (where practical)
- 12.8 Designation of Bursar
- 12.9 Race
- 12.10 Gender
- 12.11 Disability
- 12.12 Age

## **13. Payment of Book Allowance**

The maximum amount for the book allowance for each academic year will be determined by the Bursaries Committee. All Bursars are required to submit a motivation for consideration to the Head of Department for payment thereof. This amount will be reviewed on an annual basis. Students must submit a copy of the receipt / account as well as the prescribed book list from the Institution.

The motivation must indicate whether the books will be utilised for the full duration of the study and whether the book cannot be borrowed from the library. After completion of the Degree / Diploma the books must be returned to the Human Resources Department. These books will then be maintained in the department's Library and loaned to bursary holders. If the books are not returned or the Bursar wishes to retain the books for his/her own use the department must be re-imbursed of the amount paid.

## **14. Correspondence**

Bursars must submit all correspondence relating to bursaries via their respective Supervisors to the Human Resources Department.

To avoid any unnecessary delays and errors in the processing of any documentation relating to an employee's studies, all correspondence directed to the Human Resources Department must contain the following:

- 14.1 Surname and Initials
- 14.2 Employee Number and Identity Number
- 14.3 Student Number
- 14.4 Institution Name
- 14.5 Department
- 14.6 Contact Number

**SECTION HR 19**

**TRAINING AND DEVELOPMENT POLICY**  
**BURSARY POLICY**

**ANNEXURE A**

**BURSARY REGISTER**

Name of Bursar: \_\_\_\_\_

Designation of Bursar: \_\_\_\_\_

Employee No.: \_\_\_\_\_ Age: \_\_\_\_\_

Race: \_\_\_\_\_ Gender: \_\_\_\_\_

Disability: \_\_\_\_\_

---

Payment Made To: \_\_\_\_\_

Amount Paid: \_\_\_\_\_ Date of Payment: \_\_\_\_\_

Cheque No.: \_\_\_\_\_ Allocation: \_\_\_\_\_

Description of Transaction (where applicable): \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**SECTION HR 19**  
**TRAINING AND DEVELOPMENT POLICY**  
**BURSARY POLICY**

**ANNEXURE B**  
**STUDY BURSARY AGREEMENT**

Between

\_\_\_\_\_ Municipality  
(the employer)

AND

\_\_\_\_\_  
(the employee)

It is hereby agreed between the parties that:

1. The employer shall grant the employee financial assistance for the purpose of enabling the employee to undertake the following course of study:

**COURSE:**

**INSTITUTION:**

**YEAR OF STUDY:**

2. The financial assistance granted in terms of clause 1 above to the employee shall be in the form of a Municipal Study Bursary of R\_\_\_\_\_ made up as follows:

Tuition fees for the following subjects:

**SUBJECT:**

**FEES:**

**TOTAL:**

3. The employee, presently employed as a \_\_\_\_\_ in the \_\_\_\_\_ Department, hereby agrees to fulfil the conditions as set out under clauses 4 – 10 of this agreement.

4. To give satisfactory proof of enrolment for the above mentioned course of study.
5. To observe the rules of the above mentioned institution.
6. To furnish the Municipality with a certified copy of the employee's examination results in respect of any intermediate as well as any annual examinations within a period of one month after such results have been released by the college / university.
7. To serve the Municipality upon having obtained the above mentioned qualification for a minimum period of one year; and in the event of the employee's services with the Municipality being terminated for any reason prior to the completion of the above mentioned course or prior to fulfilling the obligations set out in this agreement, to refund the employer an amount equivalent to the salary / wages paid to the employee during the special leave granted to the employee for study / examination purposes. In these circumstances the amount payable by the employee shall be paid by deduction from any monies which may become due to the employee on termination of the employee's services. Alternatively the amount owing shall be paid in instalments as may be agreed upon between the Finance Manager and the employee, in which event the amount owing by the employee shall bear interest calculated thereon, equal to the prime rate set by the South African Reserve Bank.
8. To authorise the Finance Manager in the event of the employee's services with the employer being terminated for any reason, to deduct from any monies which may become due to the employee on termination of services, the difference between any amounts already paid by the employee in terms hereof and the total amount of such Study Bursary.
9. To refund the employer the full amount of such Study Bursary advanced to the employee should the employee fail to complete the course of study.

Now therefore, the parties also further agree:

10. That other than the first payment, further payments by the employer shall be made only upon receipt from the learning institution, proof that the employee's progress has been satisfactory in all subjects.
11. That upon successful completion of the course and having served the employer for a period of one year, the sum of all monthly repayments deducted from the employee's salary will be refunded to the employee in the form of a bursary.

12. That the cost of repeating any course, year, subject shall be at the employee's expense, where after the employer shall be prepared to review the continuation of this agreement.
13. That the employer shall have a lien on any monies due to the employee from either the Cape Joint Retirement Fund, South African Local Authorities Pension Fund or SAMWU Provident Fund.

DATED at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

**AS WITNESSES**

1. \_\_\_\_\_

2. \_\_\_\_\_

\_\_\_\_\_  
**EMPLOYEE**

DATED at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

**AS WITNESSES**

1. \_\_\_\_\_

2. \_\_\_\_\_

\_\_\_\_\_  
**EMPLOYER REPRESENTATIVE**