

# Pilot SMME Grant Application 2010/2011 for Small, Micro and Medium Enterprises for the Period 1 January to 31 December 2010

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## INTRODUCTION

- The Fasset Sector Skills Plans (SSPs) have consistently shown that the two main strategic focus areas for the Seta are 1) support for small businesses in funding training, and thereby potentially growing the employment profile and 2) ensuring that transformation of the demographic profile of the sector occurs to ensure population group representivity and the supply of labour to the sector.
- Made up of predominantly small organisations, employers in the Fasset sector have the potential to create employment. The sector mainly comprises a large number of very small organisations and a small number of very large employers. The majority (96.0%) of the organisations have fewer than 50 employees. In fact, 62.2% of these are micro organisations that employed five or fewer employees while 18.1% employed between six and ten employees. The large organisations varied between 150 and 15 000 employees and employed 52.9% of the workforce. The small organisations (fewer than 50 employees) employed 35.1% of the people in the sector (Source: Fasset SSP 2010/2011).
- The Fasset sector is one of the worst performing sectors in terms of employment equity. Learner registration statistics (at 24 October 2008) indicate that 48% of learners are black (this includes African, coloured and Indian people) and 0.2% of learners are people with disabilities. This has improved from February 2002, when 34% of learners were black. It is also evident from the demographics of the 'Professionals' occupational group that black learners are not adequately integrated into the sector.
- As a result of this trend, Fasset is offering a grant geared to Small, Micro and Medium Enterprises (SMMEs). This grant is a pilot grant enabling employers to apply for a cash incentive if they have funded education and training interventions (as defined below) in the financial year 2010/2011 from 1 January to 31 December 2010 for specific employee groups.
- Limited funds are available for this grant, and after funds are utilised, an assessment of the pilot grant will be conducted to determine its success. As this grant is operating on a first-come first-served basis, employers are not guaranteed that their grant application will be approved. Employers are encouraged to submit their applications as soon as possible to avoid disappointment.

## GENERAL CRITERIA FOR GRANT APPROVAL

- The grant application must be submitted to Fasset by no later than **31 March 2011**.
- The Mandatory Grant for the period **1 April 2010 to 31 March 2011** must have been submitted and have been **approved** by Fasset for Skills Development Levy (SDL)-paying employers. The deadline for the Mandatory Grant is **30 June 2010**. Failure to submit the Mandatory Grant by this date disqualifies the SDL-paying employer from applying for any discretionary grants (including the Learnership Cash Grant and the Strategic Cash Grant) during the financial year. Employers who are exempt from paying the SDL are not required to submit the Mandatory Grant.
- Non-Levy Payers (NLPs) must be registered NLPs with Fasset.
- Only employers employing less than 50 employees at the time of applying are eligible for the grant.
- The Skills Development Facilitator (SDF) submitting this application must be registered as an SDF with Fasset.
- The grant application must be submitted to Fasset by no later than **31 March 2011** in respect of eligible learners (as defined below) completing an eligible education and training intervention in the period **1 January 2010 to 31 December 2010**.
- No requests for extension will be considered.
- A Seta may not pay any grant to an employer who is liable to pay the SDL in terms of section 3(1) of the SDL Act unless the employer: has registered with the Commissioner in terms of the SDL Act, has paid the levies directly to the South African Revenue Service (SARS) in the manner and within the period determined in the SDL Act, is up-to-date with levy payments to SARS at the time of approval and in respect of the application period, has submitted a Mandatory Grant in respect of the previous financial year within the timeframes prescribed, and is registered with Fasset.
- **Applications will be processed on a first-come first-served BASIS as of 1 April 2010, due to limited funds available for this grant. Completed grant applications will be processed in the order in which they are received.** A limited overall budget is available to all employers who implement strategic interventions in terms of the Pilot SMME Grant criteria.
- Grant processing may take up to 3 months from the date of receipt of the application. Thereafter the request for payment of an approved grant will be sent to the Seta finance department. Should all be in order with the applicant's banking details, the grant will be paid out two to three weeks thereafter.

## SUBMISSION GUIDELINES

- The grant must be completed correctly and submitted in the required format.
- The SDL number must appear on each page of the application form.
- The SDF and the relevant Authorised Signatory must sign each page of the grant application form. Names may not be typed in this space, signatures must be manually completed.
- Fasset must first approve the grant before any grant payments will be made.
- Applications must be forwarded directly to the **Fasset Skills Planning Department**.
- An official transcript must accompany each application.
- Fasset reserves the right to conduct monitoring visits to employers who have received this grant.
- An employer may apply for the grant at different times of the year, for different learners. This is provided that the maximum budget per employer is not exceeded.
- In the case of **fax** submission to the Seta, it is the applicant's obligation to ensure that the application is submitted to the Seta via the correct fax number and that a copy of the confirmation slip, with the correct number of pages transmitted, is retained for later use/proof. An original signed document must also be submitted. The correct fax number is 086 574 1962.
- In the case of **hand delivery** or **courier**, it is the applicant's obligation to ensure the document is submitted to the correct physical/postal address and physical proof (delivery note of sending the specified document via hand delivery or courier) is retained. The physical address is Block A, Eva Office Park, Corner Beyers Naude & Judges Avenue, Blackheath. Fasset offices close at 16h30 from Monday to Thursday, and at 16h00 on Friday. There is no 'drop-box' on Fasset's premises or means of delivering the physical document after office closure. The application may however be faxed or emailed to the Seta before the deadline date. Please be aware that those delivering the document may not have access to alternative fax and email facilities, and the submission will be deemed late if is received / delivered after the deadline date.
- Postal submissions will not be accepted.
- A copy of the grant application must be kept on file by the applicant.
- Problems with professional body registrations should be brought to the attention of Fasset.

## CONFIDENTIALITY

Fasset recognises the need for absolute discretion in respect of the information requested in grant applications. Employers are assured that all information will be treated as confidential. Information received in the grant applications are aggregated for the purposes of the Sector Skills Plan (SSP), research and strategic directives.

## SPECIFIC PILOT SMME GRANT CRITERIA FOR APPROVAL

This grant is available to employers who provide **financial support (internal bursaries)** to specific employed learners to study at recognised institutions or professional bodies in scarce skills areas.

The aim of the grant is to increase the number of specific learners with scarce skills in employment.

The **employer** must meet the following requirements:

- Only employers employing less than 50 employees, when applying are eligible for the grant.
- Employers may be SDL-paying or exempt from paying the SDL (NLPs).
- SDL-paying employers must ensure they have submitted an approved Mandatory Grant for 2010/2011 by 30 June 2010.
- An employer who has applied for the Learnership Cash Grant (LCG) or Strategic Cash Grant (SCG) in the current financial year will not be eligible for this grant and vice-versa. This is because the Pilot SMME Grant has been introduced to provide access to employers who have not typically enjoyed the benefits of the LCG or the SCG. Employers must decide which grant they would prefer to claim in the financial year.

The **learners** being applied for must meet the following requirements:

- The course to be funded must relate to a scarce skill in the Fasset sector. The intervention must be linked to a 4 or 6-digit Organising Framework for Occupations (OFO) code. Go to <http://www.nopf.co.za/> for more information.
- Employers may only apply for this grant on black (African, coloured and Indian) learners. This means that African, coloured or Indian people who are South African (SA) citizens by birth or became a South African citizen before 27 April 1994 and have a valid SA identity document are eligible for the grant.
- Employers may also apply for this grant on learners with disabilities, regardless of their population group and gender. The Employment Equity Act of 1998 defines people with disabilities as 'people who have a long-term or recurring physical or mental impairment that substantially limits their prospects of entry into or advancement

in employment'. Physical impairments include hearing and visual impairments, paralysis, amputations and problems with internal organs. Mental impairment includes clinically defined mental and emotional illnesses and learning disabilities.

- In addition to black and/or disabled learners being funded in scarce skills areas, employers may submit a claim for National Qualifications Framework (NQF) level 7 or 8 courses (e.g. Masters, MBA, PhD and above) courses for white women.
- All claims must be in respect of learners who are in possession of a valid South African Identity document (ID) and are South African citizens.
- The learner must be employed by a Fasset-registered firm (SDL-paying or NLP).
- The course must be offered to learners in full-time employment with the employer.
- Only successful learners can be put forward for this grant.
- 'Double-dipping' on the same learner **is also not** allowed. A learner who has been submitted for the LCG or SCG in the current or a previous financial year will not be eligible for this grant.

The **educational intervention** being applied for must meet the following requirements:

- When reported in the grant application, the intervention must be linked to a 4 or 6-digit Organising Framework for Occupations (OFO) code. Go to <http://www.nopf.co.za/> for more information.
- All claims must relate to a **completed** period of study. An official academic transcript for of each registered learner should be attached to the application showing that the learner has passed the course for which they are registered. If a learner fails a minor subject which can be carried over without destroying the overall length of the degree, then Fasset will assess the grant claim for the year (however the failed subjects will not be paid for by the Seta). If a student fails a major subject which will affect the overall length of the study period for the degree, the claim will not be paid. The major subject/s of the learner must be clearly indicated on the transcript.
- Employers may claim for part-time learners who have passed the modules/courses for which they are registered. For example, the second year of a part-time MBA is acceptable. The first year of the MBA may have commenced in 2009, however the employer may claim for the second year of the 2-year part-time MBA in 2010, provided the applicant passes the course.
- The learner should complete the course of study within the period 1 January to 31 December 2010. This should be reflected in the academic transcript.
- Details of the recognised institution such as status of accreditation and alignment to unit standards and qualification must be reported in the application.
- The NQF level of the course must be specified in the application, along with the duration of the course.
- The education and skills level of the programme may span NQF level 1 to 8, however must be linked to a scarce skill.
- No short courses, workshops or international conferences may be included in this grant claim.
- The educational intervention must be Learning Type 1 or 2 in the learning programmes matrix (see the table below) i.e. (1) Institution-based theoretical instruction alone – formally assessed through the institution or (2) Institution-based theoretical instruction **and** some practical learning with an employer or in a work simulated environment – formally assessed through the institution.

The **grant claim amounts** are as follows:

- The amount to be claimed is capped at a specific limit depending on the organisation size.
- Claims are to be based on expenses. The grant is limited to the maximum amount stated per organisation size category, or the lesser amount spent.
- The invoice for the intervention, and proof of payment and the applicable claim amount must be included.
- Claim amounts are as follows:

Size of Organisation	Amount
1 – 5	R 11,000
6 – 10	R 22,000
11 – 15	R 33,000
16 – 20	R 44,000
21 – 25	R 55,000
26 – 30	R 66,000
31 – 35	R 77,000
36 – 40	R 88,000
41 – 45	R 99,000
45 – 49	R 110,000

## LEARNING TYPE MATRIX

#	Learning Type	Learning Site	Learning Mode	Learning Achievement	Abb.
1	Institution-based theoretical instruction alone – formally assessed through the institution	Institutional e.g. universities, colleges, schools	Including: Face-to-face instruction, distance learning, eLearning	Recognised theoretical knowledge provided by an accredited or registered formal institution of learning e.g. Degree, Diploma, Certificate	ED
2	Institution-based theoretical instruction <b>and</b> some practical learning with an employer or in a work simulated environment – formally assessed through the institution	Institutional <b>and</b> workplace, e.g. universities of technology (previously technicals), occupational learning institutions	Mixed mode delivery with some face-to-face instruction (or distance or eLearning) <b>and</b> supervised learning in an appropriate workplace or simulated environment	Theoretical knowledge provided by an accredited or registered formal institution of learning and workplace experience with set requirements e.g. Technical Degree (TDe), Technical Diploma (TDi), Technical Certificates (TC), Professional Degree, e.g. social work, medical doctor (PD)	TDe TDi TC PD

## DEFINITION OF KEY TERMS

### Black and People with Disabilities and White Women on NQF Level 7 and 8 Qualifications

- Black (African, coloured and Indian) learners means African, coloured or Indian people who are South African citizens (SA) by birth or became a South African citizen before 27 April 1994 with a valid SA Identity document.
- Employers may also apply for this grant on learners with disabilities, regardless of population group and gender. The Employment Equity Act of 1998 defines people with disabilities as ‘people who have a long-term or recurring physical or mental impairment that substantially limits their prospects of entry into or advancement in employment’. Physical impairments include hearing and visual impairments, paralysis, amputations and problems with internal organs. Mental impairment includes clinically defined mental and emotional illnesses and learning disabilities
- Employers may submit a claim for NQF level 7 or 8 courses (e.g. Masters, MBA, PhD and above) courses for white women.

### Costs Incurred for Training

A range of cost factors may arise for the purpose of training staff (during the financial year 1 January to 31 December 2010). **Cost Types** include:

- **Course fee:** tuition fees or course fees, registration and examination costs

When **calculating training costs** **note** the following:

- Training costs exclude VAT.
- Any amount spent on training learners with disabilities can be multiplied by a factor of 1.75 when calculating the amount. For example, if R100 is spent on a disabled learner, the employer may claim the amount of R175.

The **Total Expenditure** does not include:

- the salaries paid to learners for the time these learners spent on education and training
- lost person work-days (leave for learners) and temporary replacement staff costs (or wages of learners)
- donation income/contributions which may result in double-dipping (this is defined as earmarked donations received by the applicant organisation from external sources e.g. funders, grants, agencies)

The **National Qualifications Framework (NQF)** provides principles and guidelines for recording learner achievements. Based on nationally recognised qualifications. The NQF encourages lifelong learning. Qualifications have been divided into eight bands as indicated in the table. The 10 level NQF has not yet been gazetted.

BAND	LEVEL	EDUCATION & TRAINING INTERVENTION
GET General education and training	1	ABET Level 4/ Grade 9 National certificates
	2	
FET Further education and training	3	National certificates
	4	
HET Higher education and training	5	National diplomas National certificates
	6	National first degrees Higher diplomas
	7	Professional qualifications Honours degrees
	8	Post-doctoral research degrees Doctorates Masters degrees

## Scarce Skills Occupations

Scarce skills refer to those occupations in which there are a scarcity of qualified and experienced people, currently needed or anticipated in the future, either (a) because such skilled people are not available or (b) they are available but do not meet employment criteria. Where a scarce skills code (from the Organising Framework for Occupations (OFO)) is requested on the application form, please provide a 4 or 6-digit OFO code. Below are two lists of scarce skills experienced in the Fasset sector. Where an employer believes that new scarce skills have emerged, they may submit their skills shortage area with a written justification to the Seta. As the scarce skills list is published with the grant application form 12-18 months in advance, discretion is allowed in terms of the application of criteria. Go to <http://www.nopf.co.za/> for more information.

**Table 1:** 4-digit occupations in which skills shortages are experienced

Rank	OFO Code*	Occupation	Need for 1 Apr 09 - 31 Mar 10
1	2211	Accountants	3866
2	5311	General Clerks	425
3	1111	Chief Executives and Managing Directors (Enterprises / Organisations)	299
4	5211	Personal Assistants	183
5	5512	Bookkeepers	179
6	2247	Management and Organisation Analysts	171
7	2212	Auditors, Company Secretaries and Corporate Treasurers	151
8	2223	Financial Investment Advisers and Managers	74
9	5421	Receptionists	70
10	1322	Finance Managers	46
11	2611	ICT Business and Systems Analysts	36
12	5511	Accounting Clerks	31

\* The number of people needed has been summed to the 4-digit level of the OFO. More detail is available in the Sector Skills Plan 2010/2011

**Table 2:** 6-digit Occupations in which vacancies are experienced (Source: Sector Study 2007)

OFO Code	Occupation	Employment 2007*	Retention problems	Vacancy Rates**	Upward pressure on salaries
<b>MANAGERS</b>					
<b>135</b>	<b>Information and Communication Technology (ICT) Managers</b>				
135102	ICT Project Manager	190	√	5.9	
<b>PROFESSIONALS</b>					
<b>221</b>	<b>Accountants, Auditors and Company Secretaries</b>				
221100	Trainee Accountant	13 910	√	6.1	√
221101	Accountant (General)	13 300	√	6.1	√
221203	External Auditor	2 880	√	15.9	√
221204	Internal Auditor	580		8.3	
<b>223</b>	<b>Human Resource and Training Professionals</b>				
223101	Human Resource Advisor	110		7.3	
223301	Training and Development Professional	260		5.9	
<b>224</b>	<b>Information and Organisation Professionals</b>				
224103	Statistician	30		20.9	
224301	Economist	40	√	60.7	√
<b>261</b>	<b>Business and Systems Analysts, and Programmers</b>				
261102	Systems Analyst	470	√	31.1	
261303	Software Engineer	160		6.3	
<b>CLERICAL AND ADMINISTRATIVE WORKERS</b>					
<b>551</b>	<b>Accounting Clerks and Bookkeepers</b>				
551101	Accounting Clerk	730	√	6.7	
551201	Bookkeeper	4 230	√	6.5	√
591103	Purchasing Officer	120		14.0	
<b>SALES WORKERS</b>					
611201	Insurance Agent	110		6.4	

\*Estimated on the basis of the employee information provided by employers who participated in the survey, rounded to the nearest 10

\*\*Long-term vacancies reported by employers as a percentage of estimated employment

### Section A: Particulars of the Organisation

Complete the information in the table below. Specify all SDL numbers and corresponding organisation names.

<b>Name of organisation</b>		
<b>SDL number</b> <i>Include the SDL number, name of main and linked SDL numbers (if applicable), and the number of employees corresponding to each SDL number where SDL numbers are linked). Additional rows may be added if necessary.</i>	<b>SDL Number</b>	
<b>Is applicant SDL-Paying or SDL Exempt?</b> <i>Tick (✓) appropriate box</i>	<b>SDL-Paying</b>	
	<b>Non SDL-Paying</b>	
<b>Your date of submission of this grant</b>		

### Section B: Compliance with Criteria

Please tick (✓) the appropriate box if you comply with the statements below. If you do not comply with the statements below, please mark the box with an X or Not Applicable (NA) if you are a NLP.

	Bi This employer is registered with Fasset and is up-to-date with SDL payments to SARS.
	Bii This employer employs _____ people i.e. less than 50 people.
	Biii A Mandatory Grant for the period 1 April 2010 to 31 March 2011 (due 30 June 2010) has been submitted to and approved by Fasset. The Mandatory Grant must be submitted within 6 months of registration for a newly registered employer.
	Biv An official transcript for each learner as indicated in Section C below is attached.
	Bv A copy of the South African Identity document of the learner as indicated in Section C below is attached.

**Section C: Report of Beneficiaries**

Please complete the table below. Examples are available in the shaded section. Please add rows if you have more learners that need to be included. An academic transcript must be attached for each learner claimed against.

No.	Course Title	Details of Provider: status of accreditation, alignment to unit standards & qualification	Learner Full Name	Learner ID Number	Population Group	Type of Disability	Learning Programme Type (see classification) Specify NQF level and Name of Course	Course Commencement Date	Course End Date	Link to Scarce Skill (OFO code)	Outcome of Course to Date	Cost Type (see definition of key terms)	Title of Cost	Explanation for total cost	Costs (excluding VAT)	Allowable claim amount as per grant limit
e.g.	Masters in Development Finance	Stellenbosch University – accredited by CHE	Fatimah Mohammed	6917091248086	Indian	Not applicable	Type 1 – Institution-based theoretical instruction Postgraduate Masters Degree - 2 years - NQF 8	15 January 2010	15 December 2010 (Part-time course, end date of 2-year course is expected to be 15 December 2011)	1111 Chief Executives & Managing Directors (Enterprises/Organisations)	Ongoing - Passed 1st year (see transcript attachment #1)	Course fee	Registration fees for course	University fee - paid annually at commencement of academic year	R 23,400.00 (see invoice for course fees paid attachment #3)	R 22,000
1																
2																
3																
4																
5																
6																
7																
8																
9																
10																
															<b>TOTAL</b>	

## Section D: Authorisation

**SDF CONTACT DETAILS** If you are not registered as a Skills Development Facilitator (SDF) with Fasset the grant will be rejected. Please ensure that the SDF registration documentation is completed and approved by Fasset before submitting the application.

Name of **Skills Development Facilitator (SDF)** \_\_\_\_\_

ID Number of SDF \_\_\_\_\_

Details Authorised Signatory

email: \_\_\_\_\_

telephone: \_\_\_\_\_

fax: \_\_\_\_\_

Name of **Authorised Signatory** (e.g. CEO, Managing Partner) \_\_\_\_\_

Position in organisation \_\_\_\_\_

Details Authorised Signatory

email: \_\_\_\_\_

telephone: \_\_\_\_\_

fax: \_\_\_\_\_

I / we, ..... the Authorised Signatory, and ..... the Skills Development Facilitator, declare that this application for a **SMME Grant 2010/2011** in respect of ..... (insert SDL number/s) is to the best of my / our knowledge true and correct. I / we understand that Fasset may independently verify the information. I / we also understand that it is an offence in terms of section 33(b) of the Act to knowingly furnish any false information in this application and that I / we may be fined or imprisoned for one year if I / we are found guilty of knowingly furnishing such false information. This organisation is up-to-date with levy payments to SARS. This is proof that consultation has occurred between employer and employees.

Signed (SDF) \_\_\_\_\_

Date \_\_\_\_\_

Signed (Authorised Signatory) e.g. CEO, FD, Managing Partner \_\_\_\_\_

Date \_\_\_\_\_

Please complete this section even if you have submitted banking details before. Organisations completing a consolidated grant submission must complete a separate banking details form for each SDL number where banking details differ. If the company name has changed Fasset requires proof of the company's registration from SARS. Please note that banking details are only required for refund purposes.

Registered Name \_\_\_\_\_

Trading Name \_\_\_\_\_

Postal address \_\_\_\_\_

Postal code \_\_\_\_\_

Skills Development Levy number \_\_\_\_\_

Company/Entity Registration Number \_\_\_\_\_

Details of Company/Entity bank account are as follows:

Name of Bank \_\_\_\_\_

Branch \_\_\_\_\_

Branch code \_\_\_\_\_

Account number \_\_\_\_\_

Type of account *Please tick the appropriate box (✓)*

Savings

Current

Attach at least one of the following to confirm banking details:

- copy of cheque
- original cancelled cheque
- letter from the bank confirming the details

To Whom it May Concern: The Company/Entity authorises you to pay any amounts which may accrue to the Company/Entity into the Company's/Entity's account with the bank reflected above. The Company/Entity understands that the credit transfers, which it has authorised, will be processed by computer through a system known as the "ACB ELECTRONIC TRANSFER SERVICES". The Company/Entity also understands that no additional advice of payment will be printed on the Company's/Entity's bank statement or any accompanying voucher. The Company/Entity may cancel this authority by giving thirty (30) days written notice to this effect, such notice to be sent by prepaid registered post.

Name \_\_\_\_\_

Identity No. \_\_\_\_\_

Job title \_\_\_\_\_

Date \_\_\_\_\_

*Signed by the employer representative whose details appear above and who warrants that he/ she is duly authorised to bind the company.*