



National Student Financial Aid Scheme

CIRCULAR NOTICE NO. 16 OF 2020 [FOR UNIVERSITIES ONLY]

TO: VICE-CHANCELLORS
CC: REGISTRARS
FROM: DR RANDALL CAROLISSEN
NSFAS EXECUTIVE ADMINISTRATOR
DATE: AUGUST 25, 2020
SUBJECT: PROCESS AND MANAGEMENT OF 2019 HISTORIC DEBT FUNDS

Dear Vice-Chancellors

This communication follows the Circular Notice No. 10 of 2019: *Process and Management of the Historic debt funds for 2017 & 2018 issued by NSFAS on April 11, 2019*. Historic Debt (HD) refers to monies owed to the university by continuing or returning NSFAS qualifying students, who were registered in the 2018 academic year, including first time cap funded students registered in 2019 and beyond qualifying for HD funding as of that academic year only.

1. OPENING OF 2019 HISTORIC DEBT

The National Student Financial Aid Scheme (NSFAS) will be re-opening the process for claims for HD for the 2019 academic year on September 01, 2020. In order to ensure an efficient process, we would require the return of prescribed templates and signed declarations **by January 29, 2020**. The information must be submitted electronically with a link that will be provided to institutions before the submission date. The attached Appendix A, *Guidelines on Submission of Historic Debt Claims* will provide clarity on the process to follow.

In relation to HD, it is very important to note that institutions will be responsible in making sure that the student/applicant has the correct Acknowledgement of Debt (AOD) template as well as an adequate platform for the signing of the AOD forms and the electronic scanning to NSFAS as part of your submission.

2. HISTORIC DEBT CLOSE-OUT: 2018 AND PRIOR YEARS

NSFAS is communicating a close-out process for HD claims received for the 2017- 2018 funding cycles, (including previous years), to ensure that all eligible students are processed correctly for claims already submitted by institutions to NSFAS. In Circular Notice No. 10 of 2019 institutions were advised to submit a HD registration template with a confirmed list of student ID numbers, their full names as well as the outstanding debt.

In support of the completed registration template, institutions were requested to submit signed AODs by students for each claim to constitute a valid HD claim. In processing the claims NSFAS identified errors on submissions received from all institutions which prompted an audit enquiry by NSFAS to quantify the errors and to refine a process which will ensure that further processing of HD claims will be in accordance with the prescribed HD rules. Furthermore, it became evident that the majority of institutions failed to comply with audits of their HD claims prior to submitting their claims to NSFAS. It is therefore imperative to correct the 2017–2018 claim submissions. NSFAS accordingly advises that all payments received from NSFAS for HD be accepted as an upfront payment for HD to institutions and to allow the revalidation (closeout) of the 2017/2018 claims.

The 2017-2018 historic debt close-out will include the following steps and outputs:

- Revalidation/ Auditing of the claim data received from institutions in 2019 for 2017-2018 funding cycles (in-progress)
- Determine the final approval/ rejections of claims per student (in-progress)
- Perform a reconciliation of claims initially approved and paid
- Determine payment made to each institution correctly and incorrectly
- Submit to the institutions the final reconciliation file indicating the rejected claims per students, giving the institutions the opportunity to appeal/ resubmit updated claim data for 2017-2018 funding cycles which were not submitted to NSFAS on time during 2019, by using the HD email address assigned for HD queries.

Institutions will be required to complete the following documents to enable the closeout of 2017-2018 HD

- A reconciliation of all signed AODs received (the electronic copies will be available to you on request).
- The prescribed summary report template
- Prescribed declaration form template to complete. (Refer to Appendix B)

Please refer to Appendix A (Guidelines on Submission of Historic Debt Claims including the Rules and Criteria of Historic Debt Claims 2017- 2018 and prior years, including the 2019 cycle)

3. RULES/ CRITERIA FOR SUBMISSION OF HISTORIC DEBT CLAIMS

The following criteria/ rules should be applied when submitting your claims to NSFAS for payment consideration:

- Continuing or returning NSFAS qualifying students, who were registered in the 2018 academic year, including first time cap funded students registered in 2019 and beyond who qualified for HD funding as of that academic year only
- The amounts claimed are exclusive of interest, penalties and non-academic fees, i.e. club fees;
- The claim excludes all amounts claimed in other categories, i.e. DHET GAP Funding;
- Was funded under DHET cap funding;
- Has signed the DHET/ University Acknowledgement of Debt form (AOD);
- The debt currently reflects on the student's fee account;
- Has signed a LAF/ SOP/ NBA;
- Have met the progression criteria for all the years being claimed for;
- Registered for a NSFAS funded programme;
- The periods being claimed for were within the N+2 rule (minimum duration of a funded programme plus an additional two years for the approved programme only) (N+3 for disabled students).

The following Submission requirements (submission pack) should be adhered to, to ensure your claim is accepted for review and payment by NSFAS:

- NSFAS prescribed Registration Template (Addendum A) to evidence eligible students being registered for the year and amount claimed;
- Scanned signed AODs have been submitted to NSFAS;
- Summary report of scanned AOD (Addendum B);
- Declaration Form signed and stamped by Vice-Chancellor & CFO (Addendum C);
- Audit report relating to the claim submitted. Data must be audited and should include the audit procedures and sample of audit attached (Appendix A: Guidelines on Submission of Historic Debt Claims)

NOTES:

- *Historic Debt claimed for each year should be submitted via a separate claim (submission pack) per year claimed.*
- *Incorrect data will result in your full claim being rejected of which you will be notified in such instances.*

4. REFERENCES

Refer to the below circulars and communications from NSFAS and DHET which must be read in conjunction with this circular:

- Annexure A: Communique dated January 19, 2018
- Annexure B: Communique dated January 22, 2018
- Annexure C: Communique dated August 13, 2018
- Annexure D: Communique dated January 14, 2019
- Circular Notice 10 of 2019 Process and management of the Historic Debt Funds dated January 12, 2019

Kindly note that the prescribed format and the prescribed rules for HD claims for e-submission will be strictly adhered to. It must be noted that only students listed in accordance with the HD rules will be accepted.

Should you require further clarity or assistance in submitting your claims, kindly contact your service administrator immediately for guidance.

All claims **MUST** be submitted by **January 29, 2020**. Please take note that no late submissions will be processed nor will any indulgence be granted in terms of extension requests.

Yours Sincerely,



Dr Randall Carolissen
Executive Administrator

OFFICE OF THE ADMINISTRATOR

The appointment of Dr Randall Carolissen as the Administrator to the National Student Financial Aid Scheme is in terms of Section 17A to 17D of the NSFAS Act (Act 56 of 1999 as amended), effective from August 21, 2019 as published in the Government Gazette by the Minister of Higher Education, Science and Innovation, Dr Bonginkosi Emmanuel Nzimande, MP.