DISCRETIONARY GRANT POLICY

Effective Date: 27 February 2026

Policy Unique Number: 28/2026/February 2026

Document Classification: Internal and External

Document Versions

Version	Revision Date	Prepared / Revised by	Business Division	Status
V 0.1	10/2018	GM Operations	Operations	Approved
V 0.2	10/2020	GM Operations	Operations	Approved
V 0.3	02/2021	GM Operations	Operations	Approved
V 0.4	03/2022	GM Operations	Operations	Approved
V 0.5	11/2022	GM Operations	Operations	Approved
V0.6	03/2024	GM Operations	Operations	Approved
VO.7	08/2024	GM Operations	Operations	Approved
VO.8	01/2026	GM Operations	Operations	Approved

Table of Contents

1. Introduction 4

2. Definitions and Abbreviations 4

3. Scope and application 4

4. Purpose of the Policy 5

5. Legislative Framework 5

6. Principles of the Policy 5

7. Implementation overview 5

7.1 Funding windows 6

7.2 BANKSETA / Sector Projects 9

7.3 Strategic / Special Projects 10

8. Allocation of Discretionary grants 10

9. Unsolicited proposals 11

10. Delivery Models 11

11. Project administration 11

12. Discretionary Grant Approvals 12

13. Discretionary Grant Change Control 13

13.1 Types of Changes 13

13.2 Submission of Change Requests 14

13.3 Decision on Change Requests 14

14. Project Savings 15

15. Value for money 15

16. Monitoring and Evaluation 15

16.1 Funding Spend and related procurement; 15

16.2 Quality of delivery; 15

16.3 Project management efficiencies; 15

16.4 Risks; 15

16.5 Confirmation of beneficiaries and feedback. 15

17. Impact Assessment 16

18. Roles and responsibilities 16

18.1 Accounting Authority (Board) 16

18.2 Chief Executive Officer 16

18.3 Chief Finance Officer 16

18.4 GM: Operations 17

18.5 Departmental Managers 17

18.6 Funding Window Evaluation Panels 17

18.7 Discretionary Grant Project Change Control Committee 17

19. Review of the Policy 17

20. Approval ..... **Error! Bookmark not defined.**

1. Introduction

1.1. The Banking Sector Education and Training Authority (BANKSETA) is a statutory body established through the Skills Development Act 97 of 1998, as amended, to develop skills in the banking and alternative banking sector. In terms of the Skills Development Act 97 of 1988, the BANKSETA enables its stakeholders to advance the national and global position of the banking and alternative banking sector. BANKSETA develops policies to manage operations and high-level decisions that have an impact on the organisational strategy.

2. Definitions and Abbreviations

In this policy, unless the context otherwise indicates –

Abbreviation/Word	Description
AA	Accounting Authority
ATR	Annual Training Report
CEO	Chief Executive Officer
CET College	Community Education and Training College
DHET	Department of Higher Education and Training
GM	General Manager
IT	Information Technology
PIVOTAL	In the context of BANKSETA Discretionary Grant funding, the following delivery methodologies are included: Professional Programmes (including Candidacy Programmes), Internships, Vocational Programmes, Occupational Programmes, Technical Programmes, Academic Programmes and learnerships. In addition, Recognition of Prior Learning against any of the aforementioned programmes
NGO	Non-Governmental Organisation
PFMA	Public Finance Management Act, 1999
SME	Small / Micro Enterprise
TVET	Technical / Vocational Education and Training College
WSP	Workplace Skills Plan

3. Scope and application

This policy applies to all BANKSETA employees and business units as well as applicants and contracted stakeholders.

4. Purpose of the Policy

The purpose of the Discretionary Grant Policy is to provide a framework for discretionary grants and to reflect specific BANKSETA requirements with respect to the allocation of discretionary funds, criteria for funding and how the funds should be applied for. It also makes provision for the types of changes relating to contracts that may be applied for and how these will be considered by the BANKSETA.

5. Legislative Framework

The main pieces of legislation which this policy aligns with are:

5.1 Skills Development Act 97 of 1998, as amended;

5.2 Skills Development Levies Act 09 of 1999;

5.3 SETA Grant Regulations, 2012;

5.4 The National Qualifications Framework Act 67 of 2008;

5.5 Employment Equity Act 55 of 1998;

5.6 Public Finance Management Act 29 of 1999; and

5.7 The BANKSETA Constitution and associated Charters.

5.8 National Skills Development Plan

5.9 National Development Plan

5.10 The BANKSETA Delegations of Authority Policy

5.11 The Constitution of the Republic of South Africa

6. Principles of the Policy

In the implementation of this policy, the following principles will apply:

6.1 Transparency and equitability - The discretionary grant process will be open, equitable, transparent and as simple as possible by providing guidelines and criteria to prospective applicants as well as communicating the process end to end.

6.2 Procedural and substantive fairness - The discretionary grant process will be conducted in a procedurally fair manner, and no applicant will be prejudiced and promoted above another.

7. Implementation overview

Discretionary Grant funded projects may be once off projects; these are projects confined to one financial year and not repeatable or it may be rolling projects from one financial year to the other; these are projects that are multiyear in nature and/or repeatable in the following financial year(s);

There are three types of Discretionary Grant funded projects that the BANKSETA shall make available from time to time namely; funding windows and BANKSETA / Sector projects and Strategic / Special Projects.

7.1 Funding windows

7.1.1 A funding window is an invitation to stakeholders to apply for funding from the SETA for the programmes that the funding window is intended for. The programmes may include but is not limited to learnerships, internships, and bursaries, etc. or may be aimed at a particular stakeholder grouping for example Medium to Large Organisations, Small or Micro Enterprises, Co-operatives, Universities, etc. The window period would open on a specified date and have a closing date. Each funding window will have its own guideline indicating amongst other the funding and/or cost structure, additional qualifying criteria, timelines for disbursement of grants and criteria for supporting documents required to make payment. This will be approved by the BANKSETA Board before publishing it to stakeholders. In terms of the Delegations of Authority (DoA) Policy the CEO may approve funding window guidelines.

7.1.2 Funding Window Invitation and Application Process

i) BANKSETA shall publish all funding window invitations on the BANKSETA website: www.bankseta.org.za.
ii) Each funding window shall remain open for at least 4 weeks. except for Funding Windows which remain open for longer. The dates will be indicated in each funding window guideline when published.
iii) Each funding window shall have a set of guidelines aimed at assisting applicants with the application process.
iv) No late applications shall be accepted.
v) The evaluation panel shall apply predetermined evaluation criteria to score applications. This will be indicated in the Guidelines for each Funding Window.
vi) Applications and other related documents are to be submitted on BANKSETA templates, and as per the prescribed submission process. Failure to do so may result in disqualification of the applications.
vii) Applicants agree to provide information as required by BANKSETA for the purposes of reporting to the Department of Higher Education and Training, as well as other statutory stakeholders.
viii) Each funding category will have its own performance information requirements.
ix) Applicants are required to submit separate applications per category where applicable.

x) Applicants are not limited on the number of applications per category. However, applicants are requested to carefully consider business needs and prioritize applications as funding may be limited, and applications may be declined considering the funding available and the number of applications received.
xi) Each application will be evaluated individually.
xii) Applicants must keep a copy for their internal use and backup purposes.

7.1.3 Evaluation and Allocation Process

i) In all cases an evaluation panel shall be established and approved by the CEO to evaluate applications.
ii) All panel members will be required to sign a declaration of interest.
iii) The evaluation panel decision will be recorded for audit purposes.
iv) All grants are VAT inclusive.
v) BANKSETA will evaluate all applications and approve funding in a way that will ensure the equitable allocation of funding by limiting the number of learners approved for each application and limiting the amount per learner where necessary.
vi) In the allocation of funding to qualifying applicants, equity targets, national spread and focus on rural areas may be encouraged.
vii) BANKSETA reserves the right to approve / decline applications, without any preference given to any applicant, and to apply discretion to equitably distribute funding per category, based on a risk assessment, due diligence, the availability of funds and to reallocate funds from undersubscribed categories.
viii) BANKSETA may approve additional applications or increase the funding for a particular application should additional funding become available at a later stage. Additional funding is subject to Board approval. The approval of additional applications where the total combined allocation is up to R5m may be approved by the CEO. Where the total combined allocation is above R5m it will require Board approval.
ix) Feedback on the status of the application must be provided to unsuccessful applicants.
x) Where BANKSETA deems it necessary it may conduct *further* due diligence or risk assessment after approval of funds and in preparation for implementation and may then decrease or decline funding awarded.

7.1.4 Consideration of Past Performance and Track Record

i) In allocating Discretionary Grant funding, BANKSETA may consider an applicant's historical performance in relation to previously approved BANKSETA-funded projects. This includes, but is not limited to:

a) The extent to which previously approved funds were fully and timeously utilised.

b) Achievement of approved project outputs, milestones and learner completion targets.

c) Compliance with contractual obligations, reporting requirements and monitoring and evaluation processes.

d) The quality of delivery and overall project management effectiveness; and

e) The timely disclosure and appropriate management of underutilisation, non-utilisation, savings or approved project changes.

ii) Applicants with a demonstrated history of effective utilisation of funds, achievement of approved outcomes and compliance with BANKSETA requirements may be prioritised and/or be allocated more funding, subject to the specific guidelines of the applicable Funding Window.

iii) Conversely, where an applicant has a history of material underperformance, including persistent underutilisation or non-utilisation of approved funds *without* reasonable justification, failure to achieve approved project outcomes, or repeated non-compliance with contractual, reporting or monitoring requirements, BANKSETA *may*, at its discretion:

a) Limit the value, scope or scale of funding approved; and/or

b) Decline the application.

iv) The consideration of past performance and track record shall be applied in a fair, transparent and proportionate manner and shall not, on its own, result in the automatic disqualification of an applicant.

v) The details of how this will be applied will be reflected in the guidelines for each funding window and administered by the evaluation panel in accordance with the agreed, documented process.

vi) Information used to determine performance or non-performance include but is not limited to write back of funds reflected in the commitment schedule and its supporting documents, termination of Memoranda of Agreement due to non-compliance, whistle blowing reports or investigation reports.

vii) Any applicant who is under investigation for the mismanagement of funds or fraudulent activities or has caused fruitless and wasteful expenditure to occur, will not be considered eligible for funding.

7.1.5 Funding Window Approval and Appeal Process

i) The evaluation documentation will be submitted for Probity Review and this report submitted to the CEO for consideration.

ii) Once the CEO has reviewed and approved, the report and supporting evidence as required will be submitted to the Finance and Remuneration Committee for recommendation to the BANKSETA Board. Final approval will be done by the BANKSETA Board.
iii) In terms of the Delegations of Authority (DoA) Policy the CEO may approve funding applications as delegated by the Board.
iv) Should an (unsuccessful) applicant believe that (a) the decision in relation to an application is incorrect or (b) there is mitigating circumstances for an application not having met the requirements, the applicant may submit a request to appeal the decision.
v) This request must be submitted in writing within one month of receiving the evaluation outcome of the funding window application.
vi) The request must motivate why the application meets the requirements of the Funding Window Guidelines and why the decision of the Evaluation Panel is incorrect.
vii) The request must provide supporting documentation to substantiate the reason for the appeal.
viii) After CEO review, the appeal request will be tabled at the Board to reconsider.
ix) In terms of the Delegations of Authority (DoA) Policy the CEO is delegated to consider appeals.

7.1.6 Contracting

The Memoranda of Understanding or Memoranda of Agreement is signed by the CEO in accordance with the BANKSETA Delegations of Authority Policy. This includes extensions and amendments. A record of all signed agreements and payments related to it is recorded on the Commitment Schedule and submitted to the Finance and Remuneration Committee and BANKSETA Board on a quarterly basis as part of the BANKSETA Financial Management Accounts.

7.2 BANKSETA / Sector Projects

7.2.1 The BANKSETA shall identify specific interventions that will have benefit for the sector, and which will support the National Skills Development Plan and/or the BANKSETA’s strategic priorities.

7.2.2 These interventions will be addressed through projects that are managed by BANKSETA and funded by discretionary funds. Where necessary, projects will be outsourced to specialist providers and due procurement process will be followed as per the BANKSETA Supply Chain Management Policy.

7.2.3 Participation in all projects is available to all BANKSETA Stakeholders subject to a learner selection process.

7.3 Strategic / Special Projects

Strategic Projects / Special Projects are used to describe focused initiatives that support national skills priorities and sector needs beyond routine training programmes.

7.3.1 Strategic Project are:

- Large, high impact initiatives that can support government priorities (eg NSDP, NDP, ERRP).
- It can address scarce skills in a sector
- Address national or sectoral strategic priorities (ERRP, NSDP 2030, DDM, youth employment, skills development for people with disabilities, etc.),
- It can align to the SETA Strategy or Annual Performance Plan

7.3.2 Special Projects are:

- Smaller scale
- More focused
- Can be innovative or experimental
- Address a specific need not covered the normal SETA interventions / programmes

7.3.3 Applications must be submitted by prospective applicants in response to criteria and guidelines published by the BANKSETA as part of a funding window and the same process as set out under Section 7.1 will apply.

7.3.4 BANKSETA will accept proposals only during the time that the window is open but may evaluate applications at quarterly intervals.

7.3.5 The funding of applications under this category will be limited and will focus on promoting innovation or creativity or immediate needs or national government priorities or a mix thereof and more importantly subject to budget availability.

7.3.6 This approach is intended to allow for a creative and / or innovative or interventionist approach towards skills development.

7.3.7 These projects may also be used to supplement other interventions where targets may not have been reached through the other funding windows

8. Allocation of Discretionary grants

8.1 49.50% of the received levy income shall be allocated to discretionary grants each month including any approved surplus funds.

8.2 The discretionary amount as of 1 April of each year together with the amounts received each month of that financial year will be allocated/committed to discretionary projects subject to board approval.

8.3 80% of the available discretionary grants within a financial year will be allocated to PIVOTAL programmes that address scarce and critical skills.

8.4 The allocation of funds will seek to achieve partnerships with public education and training institutions, where applicable while addressing skills development needs and priorities including the delivery of PIVOTAL programmes.

8.5 The SETA must transfer any unclaimed mandatory funds and any interest earned thereon by 31 March of each financial year into the discretionary funds.

8.6 The SETA must transfer any unspent administrative funds and any interest earned thereon by 31 March of each year to the discretionary reserve fund.

9. Unsolicited proposals

BANKSETA does not accept unsolicited proposals in accordance with the BANKSETA Supply Chain Management Policy.

10. Delivery Models

Discretionary funded projects mainly focus on skills development and are delivered through bridging programmes, learnerships, internships, work readiness programmes, bursaries, work experience grants, occupational training, academic training, facilitated learning and coaching, worker education, centres of excellence, career advise service and capacity building of public institutions including CET Colleges, NGOs, SMEs, and Cooperative Financial Institutions. Projects may also include research and benchmarking not funded through the BANKSETA Administration budget for example funding relevant Research Chairs at Public Universities and funding of Doctoral and Post-Doctoral Students. Such research will then be in the public domain and accessible to all BANKSETA Stakeholders.

11. Project administration

The BANKSETA applies the following principles to projects managed, directly or indirectly, by BANKSETA Staff:

11.1 A proportion of the discretionary grants can be used for administration or project management purposes in various grant and project categories provided it is limited to a maximum of 7.5 % of the budget. Where the administration of the project resides with BANKSETA, then the administration cost will be managed by BANKSETA to perform the following among others:

i) Project initiation including due diligence

ii) Monitoring and Evaluation

iii) General project support including marketing and advocacy

iv) Salaries of employees directly linked to the implementation of discretionary grants contracts;

v) Moderation of learning;

vi) Advertisements relating to the implementation of learning programmes and projects;

vii) Curriculum design and qualification development;

viii) Any other costs related directly to the implementation of discretionary grants (including availability of tools of trade such as laptops, mobile phones; data)

11.2 The administration activity, if not part of a Discretionary Grant Project, would not have taken place.

11.3 Administration costs incurred by BANKSETA staff outside of normal operational costs may include, but are not limited to, travel, accommodation, subsistence, visas, and insurance. These costs are incurred only to enable the objectives of the project, which would otherwise not be able to proceed and are included in the limit of 7.5%.

11.4 Project cost savings achieved after the establishment of the project will not affect the committed administration costs, which will remain at the level agreed at the commencement of the project.

12. Discretionary Grant Approvals

12.1 In accordance with the Delegations of Authority (DoA) Policy the BANKSETA Board approval is required for the following unless otherwise indicated by the DoA Policy:

i) All Discretionary Grant funded projects;

ii) Transfer of funds between projects;

iii) The allocation of additional funds or savings to existing projects.

iv) The CEO may approve write back of savings from a milestone / project to the same project or to the Discretionary Grant pool of funds.

12.2 The approval of discretionary grants:

i) Are subject to the availability of funds.

ii) Should benefit the broader banking and alternative banking sector and its stakeholder groups or address a national need.

iii) Must conform to BANKSETA governance criteria and the requirements of the PFMA.

iv) Must adhere to the requirements of the BANKSETA Supply Chain Management Policy or,

v) Must adhere to the approved Funding Window Guidelines.

vi) Should be transparent and open.

12.3 Funding may include settlement of unemployed student debts at Public Universities after completion to enable them to receive their certificate and enter the job market.

12.4 Funding may be for learners who have already started their qualification before funding is approved provided that the learners started in the same financial year as the funding agreement is signed.

12.5 Except for the settlement of historic debt as described in 12.3 above, BANKSETA will only accept and pay for performance information related to the current financial year. Performance information from previous financial years will not be accepted.

13. Discretionary Grant Change Control

This policy makes provision for changes during project implementation and clarifies instances where such changes are acceptable. It also indicates the manner in which changes must be requested and approved as well as the supporting documentation that must be submitted.

13.1 Types of Changes

13.1.1 Delays in implementation and/or inability to meet the completion date

At the time of Project planning and initiation an end date may be anticipated. However, implementation may be delayed, and the end date may be influenced by factors including but not limited to, the procurement process, the funding window approval process, learning and assessment time, as well as internal processes in the workplace or place of learning of the learner. These and other factors may impact on the anticipated completion date of a project and may necessitate the end date of the project to be extended.

Stakeholders applying for extension of dates must do so well in advance and at least three (3) months before the due date or end date is reached. Reinstatement of contracts that have already expired is not allowed. Stakeholders must provide revised timelines with their application for extension.

13.1.2 Changes in training provider, programme, programme category

Applicants prepare applications for Discretionary Grant Funding Windows indicating that they will use a certain provider for a certain qualification. It could take up to four months for that application to be approved and at that stage circumstances may have changed as far as training provider, qualification or learning methodology is concerned. BANKSETA will consider the change request provided the criteria of the funding window is still be adhered to, however such requests must be submitted within one month of signing the MoA and BANKSETA must first approve the change before it is implemented.

13.1.3 Replacement of learners or decrease in number of learners

Learners that are linked to a certain project terminate their learner agreement very early on in the learning process. In such instances the replacement of learners may be allowed to provide an opportunity to a learner/s to replace the learner/s that terminated their agreements. BANKSETA will consider such a change however BANKSETA must first approve the change before it is implemented.

13.1.4 Non utilization or underutilization of funds

A Funding Agreement is for an amount agreed to by both parties and allocated to a certain number of learners. However, it may happen that not all learners complete successfully or even enter the learning. It may also happen that learners pass away. The timing may not allow for replacement of such learners and therefore it may happen that the full amount or part of the amount is not utilised. Stakeholders must notify BANKSETA within one month that not all funds will be utilized and BANKSETA must decrease the contract amount accordingly.

13.1.5 Other

Any other unforeseen changes that may be required provided it does not impact on the approved funding amount (bar savings or non-utilisation); still meet the funding criteria; still addresses skills identified in the BANKSETA Sector Skills Plan.

13.2 Submission of Change Requests

Stakeholders must submit a change request in writing signed by the duly authorised signatory. The submission must be within the timeframes indicated above and must explain the reason for the change and be accompanied by supporting documentation including revised implementation plan and timelines.

13.3 Decision on Change Requests

All change requests must be submitted to the relevant Department Manager who will prepare the submission for review by the Project Office and General Manager: Operations. If the change relates to the extension of an end date, the submission will be tabled at the Discretionary Grant Project Change Control Committee. The recommendation from the Committee will be submitted to the CEO for approval or decline after which the applicant will be notified in writing. Any other changes will be submitted to the CEO for approval of decline, and the applicant will be notified in writing.

14. Project Savings

No savings from the allocated discretionary grant funds will be used for other purposes by the recipient. Such savings are to be written back to the discretionary funds. Reallocation of such savings to another activity or project is subject to Board approval. Reallocation of savings may include existing or new projects.

15. Value for money

BANKSETA will in all instances ensure that it obtains value for funds spent. No payments will be made without the necessary deliverables as specified in the contract or memorandum of agreement being received. BANKSETA will ***not*** recoup tranche payments already made if learners do not complete successfully. BANKSETA reserves the right to recoup funds from stakeholders if it is found that the payment was made in relation to learners who were not valid or in case of fraudulent submissions or reporting.

16. Monitoring and Evaluation

Monitoring and evaluation by BANKSETA are applicable to all the disbursed discretionary funds including their related projects. As such BANKSETA monitoring and evaluation will include but not be limited to:

16.1 Funding Spend and related procurement;

16.2 Quality of delivery;

16.3 Project management efficiencies;

16.4 Risks;

16.5 Confirmation of beneficiaries and feedback.

17. Impact Assessment

BANKSETA will determine the impact of funding allocated in line with the Monitoring and Evaluation Framework for SETAS as published by the Department of Higher Education and Training and other parameters that may be set by the BANKSETA Board.

18. Roles and responsibilities

18.1 Accounting Authority (Board)

18.1.1 Approval of Strategic Plan and Annual Performance Plan that lists the project

18.1.2 Approval of project budget

18.1.3 Approval of funding approved for Discretionary Grant Funding Window applications unless delegated to the CEO in terms of the Delegation of Authority Policy

18.1.4 Re allocation of funding to other projects

18.2 Chief Executive Officer

18.2.1 Approval of Funding Window Guidelines

18.2.2 Appoint the members of the Evaluation Panels

18.2.3 Review the funding window submissions after probity and submit to Board unless delegated to approve in terms of the DoA Policy.

18.2.4 Review appeals.

18.2.5 Signing of funding agreements and contracts once approved by board

18.2.6 Approval of funding applications as delegated by the Board

18.2.7 Establish and appoint members of the Discretionary Grant Project Change Control Committee

18.2.8 Approval of change requests related to funding agreements provided that amount does not exceed board approved amount, provided criteria are still met, provided still aligned to Sector Skills Plan

18.2.9 Signing of addenda to agreements to extend the duration of the agreement

18.3 Chief Finance Officer

18.3.1 All activities as it relates to the SETA Grant Regulations and the BANKSETA Supply Chain Policy.

18.4 GM: Operations

18.4.1 Co-ordinate the overall funding window process ensure that documents are prepared on time and to the required standard to be submitted for CEO / Board approval.

18.4.2 Review policies and procedures and the process to ensure continuous improvement.

18.4.3 Approval of project information captured on systems when supported by board or CEO approval

18.4.4 Approval of change of *project* end dates or activity end dates on system to accommodate contract start and end dates

18.4.5 Approval of writing back of savings / unutilised / underutilised funds from projects to the DG pool of funds

18.5 Departmental Managers

18.5.1 Ensure the Funding Window process as indicated in this policy is followed and documents are submitted on time.

18.6 Funding Window Evaluation Panels

18.6.1 To fulfil their duty as instructed in the appointment letter from the CEO.

18.6.2 All additional responsibilities as required by the Supply Chain Management Policy and the Delegations of Authority Policy.

18.7 Discretionary Grant Project Change Control Committee

18.7.1 Review all Discretionary Grant Project Change requests

18.7.2 Record decisions and prepare recommendation for CEO approval

19. Review of the Policy

19.1 This policy shall be reviewed at least once every third financial year or earlier should the need arise.

19.2 This policy is a directive and is subject to change and verification. Employees of the BANKSETA must be made aware of this policy together with its associated procedures and processes. This policy must be adhered to and any deviation from Policy must be formalised and considered by the CEO for approval. The policy shall be reviewed as and when required; or when a need to add / change arises on legislation or procedures.