

2018 Financial Registration Guidelines

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Introduction

There has been a number of developments around the issue of student fees in the institutions of higher learning. The Commission of Enquiry into Fees at Higher Education Institutions report has been made available and subsequently, DHET released the implementation guidelines.

Background

The registration guidelines in this document seek to give clarity on, and to smoothen the registration process. The guidelines focus on three areas that impact the students' ability to register for the academic year 2018. These three areas are:

- i) the **minimum initial payment**,
- ii) the settlement of **prior debt**, and
- iii) the allocation of **NSFAS funds**.

The 8% **gap grant** will also be briefly discussed.

It must be understood that at present, South Africa's university funding system is based on both government grant and tuition fees; the latter expected from students, their parents/guardians and/or sponsors. In addition, the NSFAS system is available for those students considered deserving poor and middle class.

CUT has to optimize the initial payments that are due to avoid:

- i. serious cash-flow problems as well as;
- ii. an increase in overall student debt. The recoverability of student debt is becoming more and more of a challenge from year to year.

Government Commitments and Requests

The Government, through the Department of Higher Education made a number of commitments as follows for the 2018 fees:

- i. The subsidisation of the fee adjustment capped at 8% on the 2017 fees for all registered students with gross family income of up to R600 000 per annum.

During December 2017 and January 2018, DHET issued guidelines regarding the Presidential Pronouncement on fully subsidized free higher education for deserving poor and working class university students to be implemented from 2018 and the following critical matters are highlighted:

- i. The NSFAS qualifying threshold has been increased from R122 000 to R350 000 for First Time Entrants (FTEN); the threshold remains R122 000 for returning NSFAS students;
- ii. The returning student loans to be converted to a grant from 2018, all monies due prior to this date remains a loan;
- iii. Household income of up to R600 000 will qualify for the GAP grant funding. This means that an 8% discount will be received by students from these households. If students applied in 2017, they need not re-apply in 2018.

NSFAS has issued guidelines to Universities requesting them to assist with the following:

- i. Identify students that require assistance with NSFAS applications, these relates to students that fall in the income bracket of R122,001 – R350 000;
- ii. Obtain consent for NSFAS to validate ID's against the Department of Home Affairs database; and
- iii. Obtain income information from third party sources.



Financial Guidelines

Minimum Initial Payment

A range of minimum initial payments has been determined. As noted above, a means test will be used to establish what minimum initial payment level students that 'claim' inability to pay the Council approved minimum initial payment of R 6,660. Below are the tables with the levels for the different student categories.

a) Self- Funded Deposit Levels: 2018 (Excluding NSFAS-funded students)

Levels	Income Range		Minimum Initial Payment (R)
No.	Start	End	
	(R)	(R)	
1	0	122 000	0
2	120 001	200 000	1 620
3	200 001	300 000	3 240
4	300 001	400 000	4 320
5	400 001	600 000	5 400
6	600 001	and above	6 660

Please note: Any student that has not met the 50% NSFAS Academic progression requirement now becomes a self – funded student and thus the table above becomes applicable.

b) NSFAS Deposit Levels: 2018 – First Time Entrants (FTEN)

Levels	Income Range		Minimum Initial Payment (R)
No.	Start	End	
	(R)	(R)	
1	0	350 000	0

**c) NSFAS Deposit Levels: 2018 –
Returning Students**

Levels	Income Range		Minimum Initial Payment
No.	Start	End	
	(R)	(R)	(R)
1	0	122 000	0

Please note:

- All students that qualify for NSFAS funding according to the initial assessment by the University at the time of registration will be allowed to register without paying any fee as per the DHET guidelines.

Student Debt Settlement

Student debt continues to be a challenge in the sector. Non- payment of tuition fees are not sustainable for the institution. Thus, responsible decisions have to be made to ensure the full collection of debt. Every year student fees contribute over 35% of the total budget needed to run the institution. Continuous failure by students to settle their debt timeously compromises the institution's operations and if not carefully managed, may result in the failure of the university to meet its obligations including buying supplies for classrooms or laboratories and paying staff salaries amongst other things.

Please note that all student fees are supposed to be settled by 30 November of the year of registration.

For many years, there are students who have accumulated debt from year to year to levels that appear difficult to settle. Thus, there is need to put in place stricter systems that do not allow this to happen.



Debt Settlement: Self- Funded Students

Below is a debt settlement schedule for students prior to being allowed to register for 2018. This is to minimize the amount of debt in the system to a manageable level. The amount payable is the initial fee plus the percentage of debt outstanding in the table below.

Levels	Debt Level		Minimum Initial payment – 2018 Fees	Minimum Down Payment % of Debt Owed
	Start	End		
No.	(R)	(R)	(R)	
1	0	10 000	Initial fee per table a on page 5 – Self funded minimal initial fee	0
2	10 001	40 000	Initial fee per table a on page 5 – Self funded minimal initial fee	20
3	40 001	60 000	Initial fee per table a on page 5 – Self funded minimal initial fee	30
4	60 001	MAX	Initial fee per table a on page 5 – Self funded minimal initial fee	40

To be allowed to register students who owe the institution need to settle their debt as indicated in the table above. Once the minimum ‘down payment’ has been made, the student will need to sign a **debit order** for the balance of the debt as well as the new debt for 2018. This to be settled by 30 November 2018 depending on debt levels and affordability.

The repayment period may be extended in exceptional cases. Each case will be evaluated on merit.

Debt Settlement: Students with Prior ‘NSFAS Debt’

The Debt Settlement Table above, will not apply to students with prior NSFAS debt as the DHET has indicated that it is in the process of evaluating a way to deal with this matter.

Students that fall within this category will be allowed to register accordingly. The Financial Aid Office will have a list of these students.

Allocation of NSFAS Bursaries

To ensure a smoother registration process for 2018, students are encouraged to finalize their applications prior to the commencement of the registrations. Any challenges faced on application to be dealt with and resolved.

It must be noted that the allocation/approval of funds now rests with NSFAS, thus CUT is dependent on confirmation of approvals by NSFAS, thus cannot make any allocations.

Please Note:

- All students that have applied at NSFAS for funding should please bring a copy of the e-mail where their application has been acknowledged by NSFAS. The Fees & Financial Aid Office will advise when this is no longer required.

Way Forward

NSFAS

To enable the students to register, the CUT Management decided as follows:

- NSFAS qualifying students will not pay any registration or upfront fees in 2018.
- All NSFAS qualifying students who were registered in 2017, and were successful in their studies, but who have accumulated historical student debt with institutions of higher education, will be allowed to register in 2018 whilst their matters are being resolved.

The 8% Gap Grant

- All qualifying students, with gross family income of up to R600 000 are legible for the 2018 Fee Adjustment/Gap Grant.
NSFAS applicants as well as students from Quintile 1, 2 and 3 will not need to apply, but will be considered automatically.
- All other students, missing middle, will have to apply for consideration for the gap grant. Application forms will be available at registration.

Wishing you all a successful and efficient registration process

The Finance Team