

Version update April 2018

National policy for further education bursaries: 2018-19

Fund management & audit information

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National policy for further education bursaries: 2018-19 – Fund management & audit information

Introduction

1. This policy has been produced for bursary and student support officers within colleges. We recommend that colleges publish their own individual policies for advising students on student support matters. This will ensure the students receive information that is relevant to their own circumstances and local community.
2. As well as publishing their own policies, it is recommended that colleges provide students with a link to [Costs of learning: student funding guide](#), a guide to learner funding published by the Scottish Government.
3. The terms of this policy do not affect how colleges use other student support funds, unless referred to in the policies for those particular funds or referred to in this policy.
4. Where a college chooses to supplement bursary funds with its own resources, it may use the additional resources as it sees fit.
5. A set of [Advisors' Notes](#) can be found on our website.
6. Student support staff may also wish to refer to our web page for [student support administrators](#).
7. A detailed list of the updated student support rates can be found in Annex A of the [Award Assessment section](#) of our bursary guidance.

Conditions of grant

Context

8. The college governing body has power under section 12(2)(c) of the *Further and Higher Education (Scotland) Act 1992* to provide to students of its college such assistance of a financial or other nature as it considers appropriate.
9. It is a condition of the Education (Access Funds) (Scotland) Direction 2017, that SFC shall administer student support funds, in conjunction with the fundable bodies, in accordance with the requirements of section 73ZA of the *Education (Scotland) Act 1980*, the *Education (Access Funds) (Scotland) Regulations 1990*, the *Education (Access Funds) (Scotland) Determination 2017*.

Use of bursary allocations

10. Colleges should apply the terms of this policy when using the funds allocated to them from SFC for bursary purposes. Funds may only be used for student support purposes, as described in this policy.
11. When using bursary funds, colleges should also apply all relevant legislation, together with any supplementary guidance that SFC may issue from time to time.
12. Under the Education (Access Funds) (Scotland) Determination 2017 residential criteria for bursaries are as set out in Schedule 2, where “Scotland” excludes the local authority areas of Orkney Islands and Shetland Islands. A bursary payable to, or in respect of, a person who is eligible for a bursary only by virtue of Part 2 of Schedule 2, may include sums only in respect of tuition and other fees payable in respect of that person (see paragraph 69 “The college may also determine support for tuition and other fees”).
13. Conditions of grant apply and these will form part of the colleges’ Outcome Agreements for AY 2018-19.
14. Colleges must apply to SFC for dispensation to vary or add to the terms of this policy, including the limits set on the use of funds.
15. Colleges cannot use bursary funds allocated to them by SFC in a way that does not adhere to the guidance in this policy or a variation agreed by SFC. Any college wishing to discuss this matter further should contact Jane Scott, Policy Officer, Funding Policy, tel: 0131 313 6660, email: jscott@sfc.ac.uk

Fund management

16. The Award Assessment section of the student support guidance sets out the minimum criteria, maximum rates and minimum contribution scales that a college must apply in allocating bursary funds. In recognising that the bursary fund is cash-limited, colleges may have to exercise discretion to target support to meet local priorities and the needs of their students.
17. We expect colleges to award students their full calculated bursary award. The previous policy, which allowed colleges to vary awards to students, reducing the award to 80% of the calculated total, no longer applies.
18. Colleges can choose to hold bursary funds in a separate bank account but this is not a condition of grant. There is no requirement to apply any interest earned on these funds to the fund balance.
19. Colleges should have in place systems which minimise incorrect payments of bursary funds. However, where there has been overpayment for any reason and funds are recovered, these should be credited to the fund balance at the time of recovery. The administrative costs of recovering these funds, in line with other administrative costs relating to SFC student support funds, should be met from core college funds.
20. Colleges should monitor their spend on study costs and we would expect colleges' overall spend on study costs to be in line with the sector average of around 6% of the overall student support budget as detailed in and paragraphs 59 to 66 and Annex B of the Award Assessment section of the guidance. The previous policy, that spend on study costs must not exceed 15% of the college allocation, no longer applies.
21. SFC will undertake an analysis of the funds used for study and travel costs to identify and query any outlier date, with a view to ensuring greater consistency of practice in the distribution of these funds.

Using bursary funds for childcare

22. Colleges cannot vire or transfer funds from bursaries to childcare but they may spend bursary funds on childcare. The maximum amount of bursary funds which colleges may spend on childcare is 50% of the amount they were allocated for the childcare fund.
23. SFC expects colleges to use their childcare fund in full before using bursary funds as childcare funds (see the national policies for childcare and discretionary funds for information on the use of childcare funds). If a college wishes to use bursary funds for childcare but has not spent its childcare allocation in full then the college must contact SFC for permission to use

bursary funds as childcare funds.

24. Colleges must ensure they explain this in writing when submitting their audited statement for student support funds. Colleges need to renew this request annually.

Using childcare and discretionary funds as bursaries

25. Colleges may use their childcare and discretionary funds to meet shortfalls in their bursary allocations.
26. In order to fulfil our duty to account for the proper use of public funds, any college that wishes to do this must first apply in writing to SFC to request this flexibility. Again colleges need to renew this request annually.
27. Any childcare and discretionary funds used in this way must meet the conditions of the bursary policy in full. Colleges cannot use childcare and discretionary funds to meet bursary needs of students who are not eligible for bursary funds.
28. Please ensure that you have met the childcare needs of students who are already being supported at the college before considering using these funds for bursary purposes.
29. Please note that this is not a virement of funds and to avoid clawback you should record your spend under childcare and discretionary funds in your audited student support return.

Audit and data collection requirements

30. The Chief Executive Officer of each College must ensure that all accounts and records are adequate and that there are systems in place to minimise incorrect payments.
31. Colleges are required to complete the student support elements of the FES return to confirm their final spend on student support. The AY 2017-18 FES 4 data return is due on **5 October 2018**. Guidance on completing the [FES Data Returns](#) is available on our website.
32. Following the introduction of the General Data Protection Regulation (GDPR) from the 25 May 2018 SFC is working on a draft data sharing agreement (DSA) in collaboration with its lawyers – once this is drafted we will work with all colleges to get DSA in place to ensure that the data sharing is compliant with the law. If you have any further enquires in respect of GDPR please email info@sfc.ac.uk.

33. Colleges are no longer required to complete an aggregate return on student support spend. However, an auditor will still be required to sign-off the FES online student support funding report.
34. Colleges should ensure that their auditors receive a copy of:
 - The student support audit guidance.
 - This policy.
 - The national policy for further education bursaries.
 - The outcome agreement for the relevant year.
35. Colleges may wish to provide their auditors with details of our [student support web pages](#) and SFC student support staff contact details.
36. Colleges should refer to the Accounts Direction for Scotland's Colleges and Universities 2018-19 when presenting information on the student support funds in their annual accounts. We aim to publish the Accounts Direction for 2018-19 and audit guidance on our website in summer 2018.

Reporting on study items

37. When reporting spend on study items it is essential that colleges itemise costs against individual students, showing that the allocation has been calculated on the basis of need for specific items or materials. Colleges should not allocate set amounts to groups of students, regardless of subject of study or level of spend.
38. Annex B of the Award Assessment section provides details of average sector levels of spend on study costs, at an individual subject level and at overall sector level. Overall, the average sector spend on study costs is around 6% the overall student support budget. We expect that most colleges will not claim above sector average levels for study costs. However, we do recognise that there can be subject fluctuations, particularly where study costs are allocated to students with additional support needs. Colleges should be aware that SFC will monitor college spend and will investigate colleges with outlier data and those that exceed average levels of spend on study costs. We will expect colleges that exceed sector average levels of spend on study costs to be able to provide evidence of the reasons for high levels of spend.

Clawback

39. SFC will recover any student support funds which remain unused at the end of the academic year. Colleges are reminded that they cannot carry forward any unspent funds and unspent funds for AY 2017-18 will be clawed back by SFC during AY 2018-19.
40. The available funds are the announced allocation for an academic year. Where

appropriate, the available funds also take account of funds received or relinquished as part of the in-year redistribution process. Unspent funds are the available funds less the audited spend.

Administration of the award

Conditions of bursary

41. Every bursary shall be held subject to the following conditions:
 - The holder shall comply with the requirements of the course of education in respect of which the bursary is awarded.
 - The college shall be satisfied as to the conduct and progress of the holder.
 - The holder shall provide the college with such information and such documents as they may from time to time require to enable them to exercise their functions in line with this policy.
42. If the above conditions are not complied with, or if the holder receives from any other source any sum which, in the opinion of the college, makes it unnecessary for the holder to be assisted by means of a bursary, the college may suspend payment of the bursary or terminate the bursary.
43. It shall be a condition of payment of a bursary that the applicant gives a written undertaking to pay to the college any amount which the college may request as repayment in line with the circumstances specified above. See paragraphs 83 and 84 for further details.
44. Where the college identifies that there has been an overpayment of bursary for any reason and requests repayment of all or part of the overpayment, and the holder has given an undertaking as above, the holder shall be obliged to pay to the college the amount requested.

Attendance requirements

45. Colleges are not expected to operate a 100% attendance requirement. Bursary awards should be made on the basis that students appropriately engage in their studies. The expectation is that, usually, students should attend all their classes and colleges should monitor student attendance on a regular basis. However, it is recognised that students may need to have periods of absence and some suggested reasons for authorised absence are set out after paragraph 52. Colleges should use their discretion to determine what absences will be accepted and should take into account the student's wider circumstances. Colleges are free to determine how often students may take periods of authorised absence, and may align their policy on this with their absence policy for college staff.

46. Where students have unauthorised absences or have exceeded the college policy on authorised absence, Colleges should also have regard to whether the student has taken reasonable steps to engage in their studies, despite their absence from class, before making deductions to the student's bursary. Some suggested examples of appropriate student engagement are set out after paragraph 52.
47. Colleges have flexibility on when to apply reductions in bursary payments to students who are not engaging in their studies. Colleges should work to the principle that students who are having difficulties in meeting attendance criteria should be offered pastoral care and support before punitive and / or disciplinary measures (**including reductions in student support**) are put in place. Before reducing student funding, colleges should investigate students' reasons for non-attendance and whether they are continuing to engage in their studies despite their non-attendance. If the student has taken measures to continue to participate in their learning and is still able to meet their learning objectives, despite being absent from classes, then the college should continue to make payments to the student.
48. Where a student has complex circumstances or health issues (including mental health issues) which impact on their attendance, colleges should exercise particular flexibility with regards to attendance. Colleges should agree attendance and participation plans directly with the student in these circumstances and this should be reflected in the student personal learning support plans.
49. Colleges should have regard to equalities legislation (see paragraph 54) and the Children and Young People (Scotland) Act 2014 (see paragraph 56) when considering the position of students with protected characteristics and care experienced students. Colleges may exercise increased flexibility when considering attendance issues for groups of students impacted by this legislation (for example Care Experienced students, Disabled students, Student Parents and those on Maternity/Paternity/Adoption leave). Colleges should conduct Equality Impact Assessments on their attendance policies to ensure that protected groups are not disadvantaged. In addition, colleges should be mindful of their corporate parenting responsibilities under the Children and Young People (Scotland) Act 2014.
50. On the basis of this guidance colleges should:
 - Implement their own rules for measuring satisfactory attendance, participation and engagement.
 - Produce their own guidance for authorised absence.
 - Operate these rules and guidance consistently across the college.

51. Colleges should withhold payment and seek refunds for periods where students have unsatisfactory attendance, if the student has not taken steps to participate in their studies or engage with the college during periods of unauthorised absence.

Examples of authorised absences from college include (but are not limited to):

- Self-certificated absence because of illness. Medical certificates should normally be submitted for illnesses lasting for more than five days.
- Religious holidays (but not other holidays).
- Work experience placements.
- Exam preparation.
- Attendance at children’s hearing, court, meeting related to caring responsibilities or care needs, etc.
- Unexpected caring responsibilities, either for the student’s child(ren) or an adult dependant, such as the illness of a child or dependant.
- Severe weather and transport breakdown.
- Attendance at a family funeral.
- Medical or dental appointments for either the student, or a child or adult who is dependent on the student. This can include non-emergency appointments if these cannot be arranged outside college hours.

Examples of student engagement include (but are not limited to) situations where the student has:

- Maintained contact with relevant college staff and has explained the reasons for absence and the steps they are taking to engage.
- Kept up to date with learning by obtaining lecture notes, online resources or other learning materials from college staff.
- Demonstrated that they have engaged in independent study to keep up to date with their learning.
- Handed in assignments or classwork.
- Continued to meet their learning objectives.
- Engaged with the college in any other way which demonstrates that they are continuing to participate in their studies.

Legal considerations

52. Colleges should be aware of and comply with equalities legislation in relation to student support matters.
53. **Equality Act 2010:** This Act brings together all previous equality legislation, and includes public sector equality duty, which replaced the separate duties relating

to race, disability and gender equality. This duty includes provisions such as:

- Indirect disability discrimination.
- Discrimination arising from disability.
- New protected characteristics.
- Pregnancy and maternity.
- New positive action provisions.

54. Further guidance can be obtained from the [Equality and Human Rights Commission](#).
55. **Children and Young People (Scotland) Act 2014:** This Act confirms colleges' status as corporate parents. Colleges should ensure that their student support policies take into account the circumstances of care experienced students and the college's responsibilities towards these students. Care experienced students should be allocated the optimum award, for example in most cases they would receive a bursary rather than an EMA (see paragraph 53 of the Award Assessment section of the guidance). Colleges should also note paragraphs 50 and 66 of this document which allow colleges to exercise flexibility over care experienced students' attendance and submission of documentation. The definition of Care Experienced is set out in paragraphs 7 to 11 of the Advisors' Notes section.
56. **Carers (Scotland) Act 2016:** Colleges should note the responsibilities set out in [Carers \(Scotland\) Act 2016](#) for local authorities in respect of information and advice services they are required to provide for carers. The act also sets out legislative definitions of carers which colleges should use when considering student carers for student support.
57. **Data Protection legislation:** All personal data must be processed in accordance with applicable data protection legislation. Colleges should be aware that the EU General Data Protection Regulation (GDPR) will come into force on 25 May 2018 and all processing of personal data will need to be compliant with the regulation by then. The UK parliament is also in the process of considering a Data Protection Bill which will replace the current Data Protection Act to reflect these changes in UK law.
58. In extraordinary instances where personal student data needs to be transferred to SFC or any other agency or institution this should be carried out securely and in accordance with an agreed data sharing protocol.

Documentary evidence

59. All students and relevant parents or partners should supply supporting documentary evidence whenever they are required to do so.

60. In line with any requirements agreed with college auditors, colleges may accept:
 - Original documents to copy or scan in the college.
 - Clear photocopies.
 - Clear scanned copies.
61. The college should reserve the right to request original documents if required, and this should be clearly stated on its application forms and website.
62. If the college has seen original documents it should record evidence that staff have seen the original documents supporting a student's claim to eligibility for an award, through for example, age, marital status or receipt of benefits. The retention of copied versions of this evidence is at a college's discretion and should be in line with current Data Protection principles.
63. Where this information is not provided, or where the college believes a student or relevant parent or partner is withholding information that may be relevant to the student's application, colleges may use their discretion to offer the student a provisional award or refuse to offer the student an award.
64. If the required documentation is not available at the time of application a college may (at its own discretion) approve a provisional award until such time as that documentation becomes available. However, if the provisional award exceeds the final award the college should seek a refund for any overpayment given.
65. Students who are care experienced may have difficulty in accessing documentation where they have become estranged from their families and support networks. If a student who is care experienced cannot access the required documentation the college may approve an award to the student at its own discretion.
66. Colleges should have in place their own system / process for applications and supporting documents for courses that span two academic years.

Data retention

67. SFC recommends that a reasonable period to keep records on student support is one year after the student's period of support has ended.

Data retention for students supported under ESF Programmes

68. From 2018-19 funding provided through ESF is, in the most part, attributed to delivery of activity at HE level where there is no claimable student support.
69. Where colleges have received, or are continuing to receive, funding through the

2014-2020 ESF Programme they are reminded that all student support documentation (relating to ESF-funded students) must be retained until at least 2032 to comply with EU audit requirements. For the avoidance of doubt, this includes (but is not limited to):

- Bursary and childcare award notices.
- Student acceptances (where applicable).
- Student attendance / record of continued participation.
- Full audit trail of all student support payments to individual students, including BACS payment records and bank statements. This should take account of bursary, travel and childcare payments.
- Childcare invoices / childcare expenses forms (where invoices are not available the college should retain confirmation from the nursery or childminder that the child attended regularly throughout the year - or to the point of withdrawal, if applicable).

70. Although the subsequent documents are not currently required for Managing Authority audits, we ask that these are also retained in line with the above timescales for the purpose of further scrutiny by the Audit Authority and / or European Commission Auditors:

- Bursary and childcare applications.
- Calculations of support amounts being awarded and paid.

71. For further information on ESF requirements, please see SFC/ESF Developing Scotland's Workforce Guidance.

Amount of bursaries

72. The amount of a bursary award shall be determined by the college. This may include sums in respect of:

- The maintenance of the bursary holder and of any person dependent on the holder during periods of full-time attendance and during vacations.
- Travel expenses necessarily incurred, or to be incurred, by the bursary holder in undertaking the course of education in respect of which the bursary is awarded.
- Study expenses incurred, or to be incurred, by the bursary holder.

73. The college may also determine support for tuition and other fees payable in respect of the holder of a bursary (or other students within the eligibility criteria set by SFC). This support should be within the terms of the Fee Waiver Policy AY 2017-18, issued at the same time as this policy.

74. In determining the amount of a bursary, the college may take account of the

sums, if any, which in their opinion the holder of the bursary, the holder's parents and the holder's spouse or civil partner can reasonably be expected to contribute towards the holder's expenses.

75. The amount of a bursary may be revised at any time if the college thinks fit, with regard to:
- The failure of the holder to comply with the conditions of the bursary.
 - A change to the circumstances of the student or their partner or their parents (where the award is based on the circumstances of the partner or parents).
 - Any error made in the calculation of the amount of the bursary.

Informing the student of the bursary award

76. Once an award has been finalised colleges should provide students with details of how their award has been calculated and how payments will be made. Details of the information that should be included in the award letter can be found in Annex A of the Advisors' Notes section of the bursary guidance.

Payment of student bursaries

77. The equivalent of two weeks of any bursary award is the **maximum** amount of bursary funds that can be paid in advance to any student. However, any college which operates a system of paying more than two weeks in arrears may continue to do so.
78. This should not impact on the purchasing of study items; it only affects the financial payments to students.
79. Bursary payments can only be backdated to the start of the course if the complete application is received within six weeks of the start of the course. (This does not include any delay arising that is outwith the student's control, such as and IT systems failure or official documentation requirements.)
80. SFC recommends that colleges pay students their award by BACS instalments, at least once a month.
81. Colleges can pay students these instalments in advance and should reserve the right to withhold, stop or demand refunds for bursary payments based on a student's suspension and/or commitment to progress.

Amending an award

82. Colleges can use their discretion to amend a bursary award if they discover changes in a student's circumstances but this must be supported by appropriate documentation.

83. Students should sign a declaration on the bursary application form, undertaking to refund on demand any overpayment made. This includes overpayments due to miscalculation, re-evaluation of eligibility, unsatisfactory attendance or failure to comply with the college's code of conduct. The student should acknowledge that repayment may be made by reduction or suspension of future payments.

Student appeals

84. We recommend that any grievance raised by a student concerning the application of this policy should be addressed in the first instance with the relevant student support staff in the college. If the student is still unhappy with the result, the college should have an appeal process in place to allow the student to take this grievance further. At this stage in the process, the system should include a review by people who are impartial to the case. SFC is willing to provide clarification on points of policy but should not be involved as part of the appeal process.