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## **National Policy for Further Education Bursaries AY 2021-22**

### **Fund Management & Audit Information**

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## **National policy for further education bursaries AY 2021-22: Fund Management and 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 [Student Information Scotland](#), the new student finance website 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 SFC's 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**

#### ***Legislative 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 2020, 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 2020.

### ***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 2020, residential criteria for bursaries are as set out in Schedule 1, Part 1, 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 1, may include sums only in respect of tuition and other fees payable in respect of that person (see paragraph ?).
13. Conditions of grant apply and these will form part of the colleges’ [Funding Allocations for AY 2021-22](#).
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 the Student Support team: [studentsupport@sfc.ac.uk](mailto:studentsupport@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 pre-2015 policy, which allowed colleges to vary awards to students, reducing the award to 80% of the calculated total, no longer applies.
18. The overall bursary rate for AY 2021-22 is an increased annual award of £4,667.65 being split over 43 weeks, giving a new maximum weekly award of £108.55 (increase based on 1.9% inflation rate).
19. Colleges are required to assess 18 and 19 year old students at the start of their courses for bursary, unless it is better for their household income to be

awarded an Education Maintenance Allowance (EMA).

20. 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.
21. 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.
22. Colleges should monitor their spend on study costs. Normally, we would expect colleges' overall spend on study costs to be in line with the sector average of around 5% of the overall student support budget. However, we are conscious that priorities on spend have changed due to COVID-19. Colleges have used student support funds to provide additional items to students, including ICT equipment to engage in online learning, additional PPE to comply with health and safety/COVID-19 regulations, and other items which had previously not been funded through student support budgets. We recognise that this has increased the proportion of student support spent on study costs.

#### ***Using bursary funds for childcare***

23. Colleges may spend bursary funds on childcare, allocating an agreed amount from within their overall Student Support funding allocation, as they see fit.
24. SFC expects colleges to use their childcare fund in full before using bursary funds as childcare funds (see the National Policy for Childcare Funds for information on the use of childcare funds).
25. Colleges must ensure they explain any divergence from their agreed student support fund distribution allocations in writing when submitting their audited statement for student support funds. Colleges need to renew any request for a different profile of student support fund distribution annually.

#### ***Using childcare and discretionary funds as bursaries***

26. Colleges may use their childcare and discretionary funds to meet shortfalls in their bursary allocations.
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.

### ***Audit and data collection requirements***

29. 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.
30. Colleges are required to complete the student support elements of the FES return to confirm their final spend on student support. The AY 2021-22 FES data return is due on **30 September 2022**. Guidance on completing the [FES Data Returns](#) is available on our website.
31. College auditors are required to sign-off the FES online student support funding report.
32. Colleges should ensure that their auditors receive a copy of:
  - The student support audit guidance, which will be published on the SFC website later this summer.
  - This policy.
  - The national policy for further education bursaries.
  - The outcome agreement for the relevant year.
33. Colleges may wish to provide their auditors with details of our [student support web pages](#) and SFC student support staff contact details.
34. Colleges should refer to the Accounts Direction for Scotland's Colleges when presenting information on the student support funds in their annual accounts. The Accounts direction for Scotland's colleges AY 2020-21 can be accessed on the [SFC website](#).

### ***Reporting on study items***

35. 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. Colleges should also note the comments at paragraph 22 on level of spend on study costs.

### ***Recovery of funding***

36. 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 2020-21 will be recovered by SFC during AY 2021-22.
37. 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***

38. 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.
39. 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.
40. 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 88 to 89 for further details.)
41. 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 and Student Engagement***

42. Colleges are **not** expected to operate a 100% attendance requirement. Bursary awards should be made on the basis of students continuing to engage appropriately in their studies.

43. The expectation is that, normally, 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.
44. 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.
45. Reasons for any authorised absences that the student might have identified and advised the college of are set out in Table 1 below (these are examples and not an exhaustive list):

<b>Table 1 – Examples of authorised absences from college</b>
<p>Authorised absences may include but are not limited to:</p> <ul style="list-style-type: none"><li>• Self-certified absence because of illness. Medical certificates should normally be submitted for illnesses lasting for more than five days.</li><li>• Work experience placements.</li><li>• Religious holidays (but not other holidays).</li><li>• Exam preparation.</li><li>• Attendance at children's hearing court, related to caring responsibilities.</li><li>• Unexpected caring responsibilities, either for the student's child(ren) or an adult dependent, such as the illness of a child or dependent.</li><li>• Severe weather and transport breakdown.</li><li>• Attendance at a family funeral.</li><li>• Medical or dental appointments for either the student or their child(ren), or an adult dependent on the student. This can include non-emergency appointments if these cannot be arranged outside college hours.</li></ul>

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.



47. Some suggested examples of appropriate student engagement are set out in Table 2 below:

<b>Table 2 – Examples of student engagement</b>
<p>Examples of student engagement may include (but are not limited to) situations where the student has:</p> <ul style="list-style-type: none"><li>• Maintained contact with relevant college staff and has explained the reasons for their absence and the steps they are taking to continue to engage in their studies.</li><li>• Kept up-to-date with learning by obtaining lecture notes, online resources or other learning materials from college staff.</li><li>• Demonstrated that they have engaged in independent study to keep up-to-date with their learning.</li><li>• Handed in assignments or class work.</li><li>• Continued to meet their learning objectives.</li><li>• Engaged with the college in any other way which demonstrates that they are continuing to participate in their studies.</li></ul>

48. Where a student has complex circumstances or health issues (including mental health issues) which impact on their attendance or engagement, colleges should exercise particular flexibility with regards to attendance. Similarly, if colleges are operating online teaching and students are not able to participate/engage due to lack of ICT equipment or connectivity problems this should be taken into account when assessing student engagement and student payments should not be stopped. 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. In addition, colleges should have regard to equalities legislation (see [Equality Act 2010](#), Part 2, Chapter 1, paragraph 4) and the [Children and Young People \(Scotland\) Act 2014](#) ( paragraph 18) when considering the position of students with protected characteristics and Care-Experienced students.
50. 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](#).

### ***Reduction to payments***

51. Colleges have flexibility on when to apply reductions in bursary payments to students who are not engaging in their studies. 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) and may involve discussions with relevant course/lecturing staff.
52. 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.
53. 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.
54. 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.
55. 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 to engage with the college during periods of unauthorised absence as described in paragraph 42 to 50 above.

### ***Legal considerations***

56. Colleges should be aware of and comply with equalities legislation in relation to student support matters.
57. **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.

58. Further guidance can be obtained from the [Equality and Human Rights Commission](#).
59. **[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 paragraphs 44 to 47 of the [Award Assessment](#) section of the guidance). Colleges should also note paragraphs 50 and 69 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 and 8 and Annex B of the [Advisors' Notes](#) section.
60. **[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.
61. **Data Protection legislation**: All personal data must be processed in accordance with applicable data protection legislation, including [the EU General Data Protection Regulation & Data Protection Act 2018](#).
62. 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***

63. All students and relevant parents or partners should supply supporting documentary evidence whenever they are required to do so.
64. In line with any requirements agreed with their auditors, colleges may accept:
  - Original documents to copy or scan in the college.
  - Clear photocopies.
  - Clear scanned copies.
65. The college should reserve the right to request original documents if required, and this should be clearly stated on its application forms and website.
66. 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.

67. 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.
68. 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.
69. 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.
70. Colleges should have in place their own system/process for applications and supporting documents for courses that span two academic years.

### ***Data retention***

71. 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 European Social Fund (ESF) programmes***

72. 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.
73. Where colleges have received, or are continuing to receive, funding through the 2014-2020 ESF Programme, they are reminded that all student support documentation<sup>1</sup> (relating to ESF-funded students) must be retained until at least 31 December 2030 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).

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<sup>1</sup> Document retention schedule for the previous 2007-13 ESF Programme, up to and including AY 2014-15, has been extended beyond 2021 and documents must not be destroyed until further notice.

- 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).
74. Although the subsequent documents are not currently required for Scottish Government 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.
75. For further information on ESF requirements, please see [SFC/ESF Developing Scotland's Workforce Guidance](#).

### ***Amount of bursaries***

76. 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.
77. 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 2021-22, issued at the same time as this policy.
78. 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.
79. 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***

80. 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***

81. 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.
82. This should not impact on the purchasing of study items or pre-purchased travel, such as travel cards; it only affects the financial payments to students.
83. 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 an IT systems failure or official documentation requirements.)
84. As per paragraph 49, Colleges should have regard to equalities legislation and the [Children and Young People \(Scotland\) Act 2014](#) when considering the position of students with protected characteristics and Care-Experienced students. Colleges may exercise increased flexibility when considering backdated payments for groups of students impacted by this legislation (for example Care-Experienced students, disabled students, student parents and those on maternity/paternity/adoption leave). We recommend that colleges extend the deadline for receipt of a complete bursary application, qualifying for backdated payments, up until the required date of SFC credit funding<sup>2</sup>. Where possible, any large sums due to the student should be split out across a number of instalments, rather than paid all at once.

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<sup>2</sup> As per SFC's 2020-21 [Credit Guidance](#): "The required date is 1 November for full-time programmes starting at the summer term. For other programmes the date will be the day on which 25% of the total calendar days between the course start and end have passed."

85. The survey of Care-Experienced students in Scottish colleges and universities<sup>3</sup>, carried out by the [Centre for Excellence for Children's Care and Protection \(CELCIS\)](#) on behalf of SFC, led to eight key learning points and 18 recommendations. Recommendation 14 asks colleges to offer financial advice to students who are successful in applying for the Care-Experienced Bursary. SFC supports this recommendation.
86. SFC recommends that colleges pay students their award by BACS instalments, at least once a month.
87. 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***

88. 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.
89. 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/engagement 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***

90. 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.

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<sup>3</sup> [Being a student with care experience is very daunting: findings from a survey of care-experienced students in Scottish colleges and universities](#)