



SOCIAL HOUSING REGULATORY AUTHORITY
(“The SHRA”)

Rent Relief Grant Disbursement Policy

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1. TABLE OF CONTENTS

1.	Table of Contents	2
2.	Abbreviations	3
3.	Definition of Terms.....	3
4.	Purpose.....	4
5.	Introduction.....	4
5.1.	Overview	4
5.2.	Scope	4
6.	Guidelines and Principles	4
7.	Conditions of the Grant.....	5
8.	Qualifying Criteria.....	6
9.	Grant Administration Process	7
10.	Submission and Timeframes	7
11.	Responsibility	8
12.	Processing of Invoices	8
13.	Reconciliation of Registers	8
14.	quantum and Payments	8
15.	Interest Earned on Grant.....	9
16.	Allocation of Grant Expenditure.....	9
17.	Preparing the payment pack	9
18.	Payment by Electronic Funds Transfer	9
19.	Reconciliation	10
20.	Reporting.....	10
21.	Monitoring and Evaluation.....	10
22.	Communication Implications	10
23.	Non-Compliance.....	12
24.	dispute resolution and policy exceptions.....	12
25.	Approval	13

2. ABBREVIATIONS

MOE	Municipal Owned Entity
ODA	Other Delivery Agent
SH	Social Housing
SHA	Social Housing Act
SHI	Social Housing Institution
SHRA	Social Housing Regulatory Authority
UIF	Unemployment insurance Fund

3. DEFINITION OF TERMS

Beneficiaries	Social Housing Tenants who received a grant from the Rent Relief Fund.
Grant Expenditure	The amount of grant from the Rent Relief Fund, already disbursed to beneficiaries.
Grant Recipient	A tenant who successfully applies for and receives a grant through the Rent Relief Fund.
Grant Register	A record of all applicants who were approved for grant and the amounts allocated to them.
Means Test	An assessment of a person's financial circumstances to determine their eligibility for the assistance through the Rent Relief Fund.
Rent Relief Fund	Fund that has been made available y government to support social housing beneficiaries, whose income has been negatively affected by the COVID-19 Pandemic
Social Housing Landlords	Institutions that develop, own and manage social housing projects.
The Applicant	The Social Housing Landlords who submits an application for grants through the Rent Relief Fund, on behalf of their tenants.

4. PURPOSE

- The purpose of this policy is to outline the principles, criteria and processes that govern how the SHRA will make available short-term grants from the Rent Relief Fund.
- Specifically, it seeks to:
 - provide rules on how all delivery agents (SHIs and ODAs), “the applicant” can access the rent relief funds by applying on behalf of their tenants to the Regulator;
 - provide guidelines on how the fund will be administered;
 - have an objective set of qualifying criteria that applicants and tenants (on behalf of whom they are applying) must meet in order to be approved for funding.
- The policy further seeks to provide various stipulations in order to ensure a fair and transparent system for receiving, assessing, adjudicating and awarding funding for tenants that have been negatively impacted by the COVID-19 crisis, and are not able to meet their obligations in as far as rent payment is concerned.

5. INTRODUCTION

5.1. Overview

The declaration of the COVID-19 Emergency and lock down by the president on 24th March 2020 has meant that some social housing tenants will lose part or all of their household incomes.

This will genuinely affect their ability to afford rentals during the period of the lockdown and, in some instances, possibly a period afterwards. At the same time the SH service providers need to continue providing a property management service to tenants and the provision of these service costs are paid for through rental payments.

The SH landlords are therefore required to create a balance between providing rental relief support for negatively affected tenants, while maintaining income flows that permit them to continue providing a property management service.

The SHRA and social housing sector is expected to play a role in containing the spread of Covid-19 in social housing projects to ensure tenants and staff are protected. The SHRA must also find ways to ensure the financial sustainability of SHIs in this time and ensure that tenants that have been financially impacted by Covid-19 are offered relief.

5.2. Scope

This policy applies to all employees of the SHRA (permanent, part-time or contractors) including management and the SHRA Council. It also governs the relationships between the applicants who engage with the Rent Relief Fund for the purpose of seeking funds on behalf of the tenants whose income has been directly and negatively impacted by COVID-19.

The policy is applicable to all external parties wishing to apply for the SHRA Rent Relief Fund.

6. GUIDELINES AND PRINCIPLES

SH delivery agents who have social housing units under management and are regulated by the SHRA can apply on behalf of their tenants.

The following are the important principles that should underlie the policy and procedures:

Rent Relief Disbursement Policy
Effective Date: 1 Feb 2021

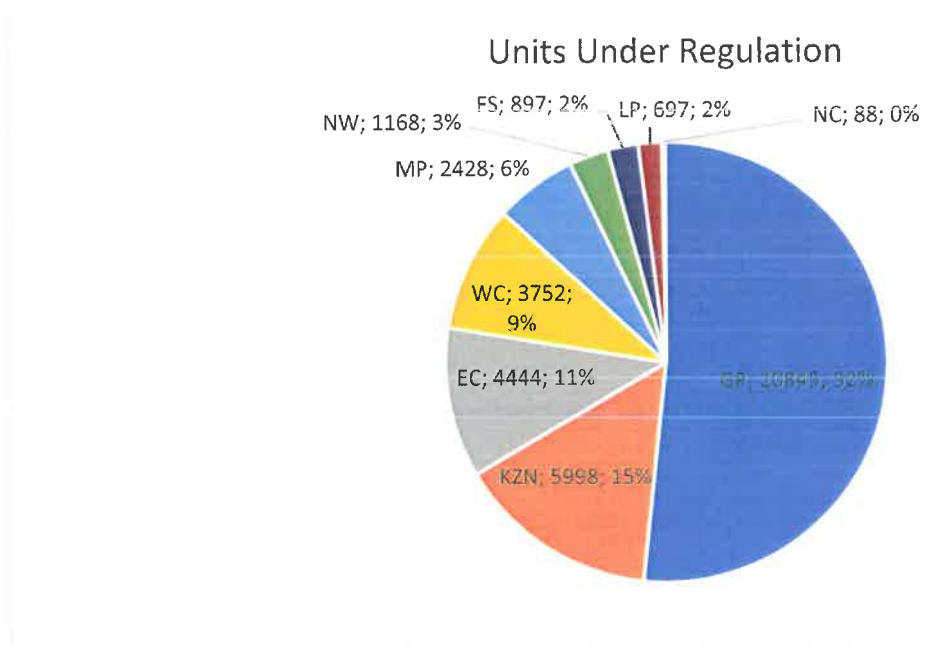
- The Rent Relief Grant will be targeted at social housing beneficiaries (as defined in the SHA and Regulations) who are in financial distress as a direct consequence of COVID-19.
- Tenant households negatively (financially) affected by COVID – 19 to be provided with forms of relief based on proper means testing including proof of reduced income because of COVID – 19.
- All SH landlords including MOEs will be eligible to apply on behalf of their tenants.
- When a SH landlord applies for the first time, they will have to submit a rent relief policy, approved by their board, which is in line with the SHRA's Rent Relief Policy.
- The delivery agent must continue to apply its usual credit control measures for all tenants.
- Social Housing Landlords will be conduits and will apply on behalf of tenants, and payments will be made against tenant accounts.
- Social Housing Landlords will have to do the means testing and verification of documents submitted by applicant tenants.
- The applicants will be required to provide proof of loss of income for the tenants on whose behalf they are applying.
- The Rent Relief Programme will be made available retrospectively from 01 April 2020, and will run for a period of approximately six months or until funding funds out, whichever comes first.
- The grants will be approved on a sliding scale of up to 80% of what the tenant owes, depending on individual tenant circumstances.

7. CONDITIONS OF THE GRANT

In order to participate in the Rent Relief Programme, social housing landlords will have to undertake not to institute eviction proceedings against any tenant in respect of rentals which were not fully paid by such tenant during the period April 2020 to September 2020, where –

- The tenant was in good financial standing as at 31 March 2020;
- The tenant's household income was substantially reduced due to the state of disaster resulting from the COVID-19 pandemic; and
- The tenant demonstrates that he or she has been unable to pay full rental during the lockdown because of loss of income caused by the economic downturn associated with the COVID-19 pandemic.
- The Total available funds will be distributed fairly across provinces. The total funds will be budgeted and allocated according to:-
 - The proportion of total social housing units under regulation in that province as a percentage of social housing units under regulation nationally.
 - In the event that funds proportionally allocated as a budget for a specific province are exhausted, the fund will be closed for that province, and no further payment will be awarded or entertained for that specific province – unless a decision is made by the Minister responsible for Human Settlements for virement of funds allocated to another province which is determined to have underspent.
- The Rent Relief Funds will be made available retrospectively as from 01 April 2020.

The following graph illustrates the provincial breakdown of units under regulation as at November 2020.



8. QUALIFYING CRITERIA

The following tenants qualify to apply for rent relief: -

- The tenant must be a South African citizen or in possession of a valid South African permanent residence permit.
- The tenants must have been renting the property for his/her private and primary residential use since 31 March 2020 (or before), in terms of a valid lease agreement.
- The tenant must have been in good standing at the date of the commencement of the state of disaster and Level 5 lockdown (31 March 2020).
- The tenant's combined household income must be R15 000 per month or less.
- The tenant must submit proof that her/his household income reduced by at least 50% due to the state of disaster resulting from the Covid – 19 pandemic – the material period for determinations of loss of income is the period for which relief is sought (and not income at the time of applications).
- The tenant must not have been in rental arrears, as of 29 February 2020, OR have been less than 30 days in arrears by end of March 2020.
- The tenant must have a repayment agreement in place.
- The tenant must display that she/he has been unable to pay full rental during the lockdown because of loss of income caused by the economic downturn associated with the COVID-19 pandemic.
- The tenant must be over 18 years of age on the date of lodging an application for rent relief.
- The tenant must not currently own any residential property in full ownership, leasehold or deed of grant.
- Special Provisions:

- The fact that a lessee may have previously benefitted from any form of housing assistance from the Government of the Republic of South Africa, shall not disqualify him/her from receiving a rent relief grant. Being a beneficiary of the Rent Relief Programme in no way whatsoever will disqualify a qualifying lessee from future participation in another National Housing Programme.
- Preferential treatment will be given in cases of tenants who are pensioners and or disabled, or who have pensioners and/or disabled persons as part of their household in the rented accommodation.

9. GRANT ADMINISTRATION PROCESS

The SHRA aims to have a transparent process that addresses the interests of social housing tenants whose income has been negatively affected by the COVID_19 pandemic and the resulting lockdown regulations. To this end, all eligible grant requests will go through a five (5) - stage process as follows:

Application - Institutions will submit applications to the SHRA and attach all supporting documentation required. The application form can be requested from the SHRA.

Assessment – to determine whether the request should be short-listed for support, based on the set criteria and the supporting documents provided.

Recommendations – to be made for grant allocation to an Approvals Committee, acting with the delegated authority of the SHRA Council. Grants not recommended will be rejected and the applicants notified.

Disbursement – applicants who have been approved for an award will have to submit an invoice to the SHRA, with supporting documents, for the grant to be disbursed.

Reporting of grants approved at Council at their quarterly meetings.

10. SUBMISSION AND TIMEFRAMES

Submissions format

- Applications must be submitted on the original application form which can be obtained from the SHRA, by sending an email to this email address: rentrelief@shra.org.za.
- The populated applications forms must be emailed to (rentrelief@shra.org.za)
- The rent relief grant will be disbursed on a monthly basis on submission of an application form which will be assessed against the set criteria and recommended to the Approvals Committee.
- The closing date for submitting applications for each month will be the 7th of the month for payments to be made by the 7th of the following month.
- Applications with insufficient information or errors on applications will need to be corrected and re-submitted within 5 working days from notification by the SHRA.

The following supporting documents must be submitted with the application form:

- Proof that the beneficiary tenant(s)/bread winner(s) have been retrenched;
- Evidence of reduced income, and by how much it is reduced (from employer);
- Latest (at least three months) bank statement(s);

Rent Relief Disbursement Policy
Effective Date: 1 Feb 2021

- Evidence of rental arrears (tenant statements);
- Applying institution's rent roll;
- Agreements between the Institution and the tenants on payment of arrears.

11. RESPONSIBILITY

Whilst this document makes reference to various staff members for the performance of functions, such functions may be performed subject to the Delegations of Authority limits. In delegating, the following should be taken into account:

- a) The capabilities and performance levels of the individual in relation to the delegated task.
- b) Segregation of duties and responsibilities.

12. PROCESSING OF INVOICES

On receipt of invoices from approved grant recipients, the Accountant must:

- 12.1. Record the invoice on an invoice register
- 12.2. Check the invoice, that it is in SHRA's name, it adds up, invoice details are correct.
- 12.3. Verify that the invoice is in line with the Approval Committee resolution.
- 12.4. Forward the invoice to the CAR Executive.
- 12.5. The CAR Executive must check and satisfy herself that all the necessary documentation is attached and payment can be made.
- 12.6. The CAR Executive or CEO will approve the payments, subject to delegations.
- 12.7. The payment batch must then be submitted to the Finance Department for processing.

13. RECONCILIATION OF REGISTERS

- 13.1. The Grant Register shall be reconciled to the General Ledger on a monthly basis. The reconciliation shall be reviewed by the Finance Manager.

14. QUANTUM AND PAYMENTS

- 14.1. No cash payments will be made to beneficiaries.
- 14.2. All funds will be deposited into a South African Bank Account.
- 14.3. The Finance Department shall disburse and pay only the approved amount.
- 14.4. The Accountant shall monitor the cycle time on a weekly basis to ensure that internal weaknesses and delays do not result in the late payment of the grant.
- 14.5. Unless there is a dispute relating to the invoice, all invoices from the Grant Recipient should be paid within 21 working days from the date of receipt.
- 14.6. Employees may be held accountable for costs incurred or failures in projects arising from negligent delays in verifying, approving or submitting the required reports and signed invoices to the respective unit.
- 14.7. All payments shall only be released by authorised signatories in terms of the Delegation of Authority.
- 14.8. The total award on a monthly basis may not exceed 80% of the rental amount to a maximum of R1 900, per month, for a period of 6 months.
- 14.9. The rent relief grant may, at the discretion of the SHRA be paid on a monthly basis for a period not exceeding six months, or as a lump sum in respect of such period.

14.10. Rent Relief Funds will be paid directly to the landlord on behalf of the tenant.

15. INTEREST EARNED ON GRANT

- 15.1. The Rent Relief Funds received from the National Department of Human Settlements will be ring-fenced in a separate account for easy tracking of disbursements and for auditing purposes.
- 15.2. No interest shall accrue in favour of the grant recipient.
- 15.3. Interest generated on the grant will be used to fund operational expenditure relating to the administration of the rent relief programme.
- 15.4. The use of interest shall be approved by the CEO or Council based on the Delegation of Authority.

16. ALLOCATION OF GRANT EXPENDITURE

- 16.1. The allocation must be checked at the various stages of processing by the following:
 - a) Senior Grant Officer
 - b) Accountant
 - c) CAR Executive
 - d) Finance Manager
 - e) CSE
- 16.2. It is the responsibility of the Finance Manager to ensure that allocations are correct.
- 16.3. If the allocation is incorrect, this should be queried prior to capturing thereof.

17. PREPARING THE PAYMENT PACK

- 17.1. The Accountant must prepare the payments pack and include the following documents to be sent to the Finance Manager for review:
 - a) Purchase Order/Commitment Voucher
 - b) Grant Recipient's invoice – signed as “approved” and marked as processed;
 - c) Supporting documents from the Grant recipient
 - d) Approval Committee Approval
 - e) Payment Requisition Form signed as “approved” and marked as processed.

18. PAYMENT BY ELECTRONIC FUNDS TRANSFER

- 18.1. After capturing payment batches, a system batch report must be printed for review by the authorised signatories against the Payment Batch
- 18.2. The two signatories must initial and date the Batch Print Report as evidence of review, and individually they must release the payments.
- 18.3. All rejected payments (due to missing information) then the invoice must be referred to the Accountant/Grant Officer for further investigation and follow up.

Rent Relief Disbursement Policy
Effective Date: 1 Feb 2021

- 18.4. The rejected payments may be processed at a later date depending on the results of the follow up by the Accountant/Grant Officer.

19. RECONCILIATION

- 19.1. Monthly reconciliations should be done between the total available grant funding, the commitments and the disbursed amount.
- 19.2. The Grant Managers and the Finance Manager will review and sign off the reconciliation.

20. REPORTING

- 20.1. Narrative and Financial reports will be submitted to EXCO on a monthly basis.
- 20.2. A report on the rent relief grant will be prepared and incorporated into the CAR Unit's quarterly report.
- 20.3. The quarterly reports will be accompanied by a list of all applications received and approved by the Approvals Committee.
- 20.4. A submission of the relevant monthly reports will be made to the Technical MinMec and MinMEc forum. Details of such reports must be loaded onto a system set up by the National Department.

21. MONITORING AND EVALUATION

The SHRA will monitor and evaluate the disbursement and allocation of the grants as follows:

- 21.1. The SHRA will issue a confirmation letter for approval of rent relief support directly to each tenant that has met the qualifying criteria;
- 21.2. Social Housing Landlords must issue rent statements to approved tenants reflecting the amount of rent relief granted to the tenant;
- 21.3. Approved tenant statements must also be submitted to the SHRA as part of post grant relief reporting;
- 21.4. The SHRA will telephonically contact all approved tenants to confirm that they have received the rent relief grant'
- 21.5. The SHRA will keep a register of approved and declined applications to be used for reporting and for responding to enquiries by tenants, the media and other stakeholders;
- 21.6. Where there are disputes or queries received, the SHRA will investigate and provide feedback directly to the social housing tenant, through a formal letter.
- 21.7. The SHRA will at its discretion visit the landlord premises to verify information submitted with the application through interviews with the landlords and or beneficiary tenants.

22. COMMUNICATION IMPLICATIONS

The objectives of communication on the Rental Relief Fund are mainly to:

- ensure that all stakeholders understand who will be benefiting (and who will not) from the rental relief fund;
- understand how the fund will be administered, and what the requirements are from landlords and tenants.

Further, it is to ensure that disputes, misunderstandings and complaints are minimised to protect the reputation of the SHRA.

Rent Relief Disbursement Policy
Effective Date: 1 Feb 2021

The following stakeholders need to be considered and communicated to with regards to the administration of the rental relief fund:

Stakeholder	Role	Communication Activities
SHIs and ODAs with stock	<p>To conduct fair means assessments for tenants who have been financially impacted by Covid-19.</p> <p>Apply for tenant rental relief through the SHRA.</p> <p>To understand the application process in order to comply with all requirements.</p>	<p>Circular.</p> <p>Online stakeholder engagement to take them through the processes.</p> <p>Dedicated email and staff for rental relief enquiries</p>
Social housing tenants	<p>Need to submit relevant documents to support application for rental relief.</p> <p>Need to understand the qualification criteria (they have to understand that those who have not lost income will not benefit).</p> <p>Need proper feedback communication, especially in cases where applications are declined.</p>	<p>Press statements</p> <p>Communication from landlords to tenants.</p> <p>Awareness posters to be placed at social housing projects</p> <p>Social media posts</p> <p>SHRA media interviews</p> <p>Complaint/dispute management process</p>
Broader rental tenants outside of social housing	<p>Need to understand the rental relief fund is only for social housing tenants.</p>	<p>Press statements</p> <p>Social media posts</p> <p>SHRA media interviews</p>
Internal staff	<p>Need to be aware about the rental relief fund and how the SHRA will be administering it, their role and how to respond to enquiries.</p>	<p>Email Communication with regular updates</p> <p>Communication in unit meetings</p> <p>Business conversations</p>
Government (NDoHS Ministry, Monitoring and Evaluation, Treasury, Provincial Departments of Human Settlements)	<p>Expect all affected tenants to be assisted by the SHRA fairly and efficiently with positive success stories.</p> <p>Reporting from the SHRA.</p> <p>Expect the process to be free from fraud and corruption.</p>	<p>Quarterly reporting</p> <p>Progress meetings (including the HSWS Command Council Meetings)</p> <p>Monthly reports tabled at the Technical MinMEC and MinMEC forum</p>
Media	<p>Require information on how the fund will be administered, how tenants can access the fund and at a later stage how many tenants benefited.</p>	<p>Release Press statements</p> <p>Approach Media for interviews</p> <p>Respond efficiently to enquiries</p> <p>Social media posts</p>

23. NON-COMPLIANCE

- 23.1. Non-compliance with the provisions of this policy shall constitute grounds for initiating disciplinary proceedings against the employee concerned, without prejudice to any other rights that the SHRA may have at law to recover any damages suffered as a result of such non-compliance.
- 23.2. If any staff members do not understand sections, descriptions or concepts contained within this document, it is the responsibility of the individual to obtain clarity.

24. DISPUTE RESOLUTION AND POLICY EXCEPTIONS

Regulatory provision will be made for unreasonable refusal by a landlord to support a tenant's application for rent relief/and or to enter into a settlement agreement as condition of such rental relief, to constitute an unfair practice under the rental Housing Act. Under these circumstances, the tenant may lodge a complaint to the relevant Rental Housing Tribunal against the landlord.

The SHRA will institute internal dispute resolution procedures to adjudicate complaints by persons aggrieved by a decision in relation to the award of rent relief.

In the event that a person remains aggrieved by a decision of the SHRA, relating to the award of rental relief after following the SHRA's internal dispute resolution procedures, such person may lodge an appeal to the Minister responsible for Human Settlements, or to a person or body delegated by her/him with this function.

25. APPROVAL

Recommended for approval by the SHRA Council



Chairperson of the Executive Committee

16 FEBRUARY 2021

Date



Chairperson of the Council

16 FEBRUARY 2021

Date

