



Department of Education

# Fee Free Tuition Policy Management Manual

for Primary Head Teachers, Elementary  
Teachers in Charge, Boards of Management,  
Parents, Guardians and Communities



Supporting the achievement of Universal Basic  
Education (UBE)

August 2012



Table of Contents

	Page
Foreword	3
<b>Part 1: Introduction to the Fee Free Tuition and Tuition Subsidy Policy</b>	<b>4</b>
1.1 Introduction	4
1.2 What does the Fee Free Tuition Policy mean for parents and guardians?	4
1.3 What does the Tuition Subsidy Policy mean for parents and guardians?	4
1.4 What are the Maximum Tuition Fee Limits to be paid by the government and parents?	5
1.5 When will Fee Free Tuition and Tuition Fee Subsidy money be paid to schools?	5
<b>Part 2: Important messages about Fee Free Tuition for all school staff, parents, guardians, community leaders and citizens</b>	<b>6</b>
2.1 Introduction	6
<b>Part 3: Roles and responsibilities of DoE HQ staff, PEAs, DEAs, Head Teachers, TIC and BOMs</b>	<b>8</b>
3.1 Introduction	8
3.2 Roles of DoE HQ staff	8
3.3 Roles of PEAs	8
3.4 Roles of DEAs	9
3.5 Roles of Head Teachers, Teachers In Charge and BOMs	9
3.6 Roles of Parents and Guardians	10
<b>Part 4: What can Fee Free Tuition money be spent on?</b>	<b>11</b>
4.1 Introduction	11
4.2 Items the Fee Free Tuition money can be spent on:	11
4.2 Items the Fee Free Tuition money cannot be spent on:	12
<b>Part 5: Seven steps to use the Fee Free Tuition money</b>	<b>13</b>
5.1 Introduction	13
<b>Part 6: How to use and fully account for Fee Free Tuition money</b>	<b>19</b>
6.1 Using the Fee Free Tuition money	19
6.1.1 Buying goods using Fee Free Tuition money	19
6.1.2 Buying services using Fee Free Tuition funds	19
6.2 How to correctly use the Combined Cash Book	22
6.3 Points on keeping a neat and accurate Combined Cash Book	23
<b>Part 7: Acquittal of Fee Free Tuition money</b>	<b>25</b>
7.1 Procedures for schools to acquit the Fee Free Tuition money	25
Fee Free Tuition Acquittal Report	26
MINISTERIAL POLICY STATEMENT No. 01/2012	32
SECRETARY'S CIRCULAR No. 02 /2012	39

## Foreword

Education is critical for all citizens to actively participate in a modern society. Education is a right for all children, both boys and girls, in Papua New Guinea as stated in the National Constitution. Education is essential for the personal development of all people to provide them with the relevant values, skills and knowledge to improve their individual quality of life.

Basic education provides a crucial foundation level for which all other levels of education, both formal and non-formal, are built upon:

- Basic education provides literacy and numeracy skills as well as an appreciation of the science and social sciences. This will contribute to a better understanding of the outside world and lead to a greater engagement in the development of PNG, and with the global community;
- Education provides opportunities for disadvantaged groups in society to participate in and benefit from national development; and,
- Increasing opportunities for girls' education is critical to reducing gender imbalances and harnessing their input for nation building.

In 2010 the Government of Papua New Guinea launched the Universal Basic Education (UBE) Plan (2010-2019) "*Achieving Universal Education for a Better Future*". The UBE Plan was developed to ensure that all school-aged children have equal access to quality basic education in order to positively contribute to the development of the country.

Universal Basic Education (UBE) is also important as it provides opportunity for girls to access education. Girls' education can have an important multiplier effect. Evidence has shown that educating girls can ease the strain on the health care system by reducing child and maternal mortality, as well as reducing the incidence of HIV/AIDS and contributing to economic growth by increasing women's skills and knowledge. Mothers who have benefited from basic education are far more likely to send their own children to school, so the multiplier effect continues onto the next generation.

PNG will not develop socially and economically if its people do not have a basic education. Therefore, achieving Universal Basic Education (UBE) is critical for the future development of Papua New Guinea. Promoting the goals of UBE will provide a springboard for an educated population who will drive social, economic, cultural, political and spiritual development in Papua New Guinea.



**Dr. Musawe Sinebare, PhD**  
Education Secretary  
National Department of Education

## Part 1: Introduction to the Fee Free Tuition and Tuition Subsidy Policy

### 1.1 Introduction

The Government of Papua New Guinea launched the Fee Free Tuition and Tuition Subsidy Policy to support the achievement of Universal Basic Education (UBE).

The overarching goal of this UBE Plan, 2010 to 2019 is:

**"All children of school age must enrol in school, complete nine years of basic education and should have learnt skills, knowledge and values covered in the basic education curriculum"**

The Fee Free Tuition and Tuition Subsidy Policy will support the achievement of the following five key result areas of the UBE Plan.

1. Access is improved for all children, especially for girls;
2. Retention is enhanced where more children complete 9 years of primary education;
3. Quality of education is improved for all grades of elementary and primary levels;
4. Education management is strengthened across all administrative levels; and,
5. Equity is enhanced to ensure quality education is available for all children in all communities across the country.

### 1.2 What does the Fee Free Tuition Policy mean for parents and guardians?

- Students attending and registered in the approved elementary and primary schools in the National Education System will have Fee Free Tuition in 2012.
- This means that the government will pay all the tuition fees (100%) for all children who enrol in elementary/primary schools up to and including Grade 10 students.

### 1.3 What does the Tuition Subsidy Policy mean for parents and guardians?

- Tuition fees for students attending schools for Grades 11 and 12, Vocational Centres, Flexible, Open and Distance Education (FODE) Centres and approved permitted schools will be subsidised by the government.
- This means that parents will pay 25% of the cost of their child's tuition fees at these schools and centres, while the government will pay the remaining 75% of the fees.
- That a one-off payment of K30 per student for Permitted Schools and Inclusive Education Centres.

**1.4 What are the Maximum Tuition Fee Limits to be paid by the government and parents?**

- For 2012, the National Education Board (NEB) has set Maximum Tuition Fee Limits to be paid by the government and parents.

**Table 1: Maximum Tuition Fee Limits**

School Level	NEB Maximum Fee Limits (per child)	Government contribution (per child)	Parental contribution (per child)
Elementary P1, E1, E2	100	100	0
Primary Grades 3 to 8	270	270	0
Lower Secondary (Day)	900	900	0
Lower Secondary (Boarding)	1500	1500	0
Vocational (Day)	900	675	225
Vocational (Boarding)	1300	975	325
Upper Secondary (Day)	990	743	247
Upper Secondary (Boarding)	1500	1125	375
Flexible, Open and Distance Education (one off payment)	100	75	25
Permitted Schools per student (one off payment)		30	
Inclusive Education (one off payment)		30	

**1.5 When will Fee Free Tuition and Tuition Fee Subsidy money be paid to schools?**

The Fee Free Tuition and Tuition Subsidy money will be paid to schools in two instalments. The first instalment will be paid in January, 2012. The second instalment will be paid in July/August, 2012.

**Part 2: Important messages about Fee Free Tuition for all school staff, parents, guardians, community leaders and citizens**

**2.1 Introduction**

This section explains six important messages about Fee Free Tuition which all school staff, parents, guardians, community leaders and citizens need to be aware of.

**Message 1:**

All students, including those students who dropped out in 2010 or earlier, do not have to pay any fees in 2012 in registered and approved elementary and primary schools in the National Education System.

- Head Teachers cannot charge parents and guardians fees for students who were not enrolled in 2011 and now want to return to school in 2012.
- The government will pay for the cost of these students in the second instalment of 2012 based on revised enrolment data.
- Head Teachers cannot prevent these students from enrolling in school.

**Message 2:**

Head teachers and Boards of Management (BOM) are jointly responsible for Fee Free Tuition money, based on a current school budget and through decisions made by the BOM.

- Head Teachers cannot spend the Fee Free Tuition money as they wish. Rather it must be spent following a School Learning Improvement Plan (SLIP) that has been developed by the Board of Management and approved by parents and guardians.

**Message 3:**

Parents, guardians and community leaders are responsible for monitoring the Head Teacher and Board of Management to make sure they spend the Fee Free Tuition money correctly.

- Parents, guardians and community leaders have a very important role to play in checking to make sure the Fee Tuition money is well spent.
- They must contact the District Education Adviser or the Provincial Education Adviser if they find that the Head teacher or Board of Management is not using the Fee Free Tuition money correctly.

**Message 4:**

All Head Teachers and Boards of Management must follow the guidance listed in this Management Manual to successfully use, account for and acquit Free Tuition money.

- This Management Manual provides practical and easy to follow guidance on how to successfully use the Fee Free Tuition money provided by the government.
- It is very important to have detailed records of all the transactions in spending the Fee Free Tuition money.

**Message 5:**

All Head Teachers and BOM Chairs must meet with the DEA, at a minimum, twice a year to have their documents examined to demonstrate they are using the Fee Free Tuition money correctly.

- The DEA and district staff will undertake a detailed examination of the Fee Free Tuition documents for every elementary and primary school to make sure the money has been spent and accounted for.
- Provincial education staff will also make random, unannounced visits to schools to check the documents at schools and to hold Head Teachers and BOMs to account.

**Message 6:**

No student is to be sent away from schools for non-payment of any fees.

- The National Department of Education will be collecting the latest enrolment data from all schools through the 2012 School Census. This data will enable Free Fee Tuition payments to school bank accounts for all children enrolled in school.

**Message 7:**

Head Teachers, BOM members and parents have an important role to play in encouraging out of school children to return to school

- The Government of Papua New Guinea wants all children in the country to have access to quality education.
- All children have a right to quality basic education.
- Education is essential for national development.

## Part 3: Roles and responsibilities of DoE HQ staff, PEAs, DEAs, Head Teachers, TIC and BOMs

**3.1 Introduction**

- This section explains the roles and responsibilities of people at different levels of the National Education System.

**3.2 Roles of DoE HQ staff**

1. Undertake Training of Trainers (TOT) courses for all PEAs and DEAs in the Fee Free Tuition Management Manual.
2. Distribute the Fee Free Tuition Management Manual to all DEAs, and facilitate them to train Head Teachers, Teachers In Charge and BOM members.
3. Undertake monitoring visits to districts to observe and give feedback to DEAs in holding training courses for Head Teachers, Teachers In Charge and BOM members.

**3.3 Roles of PEAs**

1. Support DEAs in each province to successfully train Head Teachers, Teachers In Charge and BOM members in the Fee Free Tuition Management Manual.
2. Undertake monitoring visits to districts to observe and give feedback to DEAs in holding training courses for Head Teachers, Teachers In Charge and BOM members.
3. Assign a provincial education officer to be the Focal Point for all schools in the province who need to seek approval for using Fee Free Tuition money.
4. Ensure that the assigned provincial education Focal Point is readily available.
5. Establish transparent and easy to follow procedures for all schools to follow to get approval for using Fee Free Tuition money.
6. Undertake unannounced visits to schools to audit the use of Fee Free Tuition money.
7. Ensure that all elementary and primary schools are audited twice a year by either provincial or district education officers.

### 3.4 Roles of DEAs

1. Train Head Teachers, TIC and BOM members in the Fee Free Tuition Policy Management Manual.
2. Regularly visit schools to ensure they are complying with the Fee Free Tuition Policy Management Manual.
3. Encourage all Head teachers and Chairs of Boards of Management to district education officers if they have any questions about using and acquitting Fee Free Tuition money.
4. Undertake unannounced visits to schools to audit the use of Fee Free Tuition money.
5. Ensure that all elementary and primary schools are audited twice a year by district education officers.
6. Submit reports using Fee Free Tuition Acquittal Reporting Form to the PEA and DoE twice a year on the use of Fee Free Tuition money.

### 3.5 Roles of Head Teachers, Teachers In Charge and BOMs

1. Study, understand and closely follow the guidance listed in the Fee Free Tuition Management Manual.
2. Establish a dedicated file for keeping all documents and records concerning the Fee Free Tuition money.
3. Consult with parents on how they think the Fee Free Tuition money should be used.
4. Based on feedback from parents and guardians, and the actual amount of Fee Free Tuition money sent to the school's bank account, update the School Learning Improvement Plan (SLIP).
5. Implement the SLIP using the Fee Free Tuition money.
6. Keep detailed records of the how the Fee Free Tuition money is used.
7. Report progress on using the Fee Free Tuition money to the Board on Management once a month.
8. Report progress on using the Fee Free Tuition money to parents and guardians once a month.

### 3.6 Roles of Parents and Guardians

1. Ensure that their children attend school.
2. Provide food and uniforms for their children.
3. Provide all the necessary physical and psychological support to enable their children to actively participate in school learning activities.
4. Provide security and transport for their children.
5. Actively engage in schools affairs, and especially Parents and Citizens meetings.
6. Hold the Head Teacher and BOM to account for development of the school, for quality education, and transparent financial management.

## Part 4: What can Fee Free Tuition money be spent on?

### 4.1 Introduction

- This section explains what the Fee Free Tuition money can and cannot be spent on.

### 4.2 Items the Fee Free Tuition money can be spent on:

- Basic school supplies such as exercise books, pencils, chalk, dusters, text books, library books;
- Sporting equipment and agricultural tools;
- Boarding school food rations;
- Teaching and learning resources;
- Maintaining and repairing school infrastructure using local labour and materials, such as classrooms, toilet facilities, dormitories, library buildings, desks, tables, chairs, teachers' houses, water tanks, and other furniture and infrastructure;
- Construction of new classrooms, toilet facilities, dormitories, library buildings, desks, tables, chairs, teachers' houses and other furniture, by local contractors and suppliers;
- Construction materials;
- Local travel to the nearest bank to access the school account, and to the district and provincial education offices to get approval for using Fee Free Tuition money.

### Key Message

Schools should use at least 40 percent of their Fee Free Tuition money on teaching and learning resources.

### 4.2 Items the Fee Free Tuition money cannot be spent on:

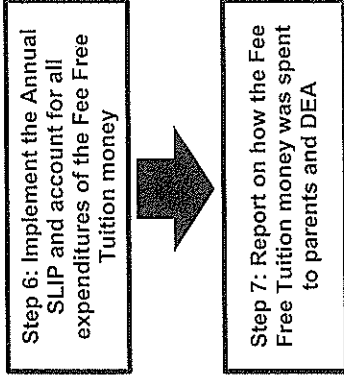
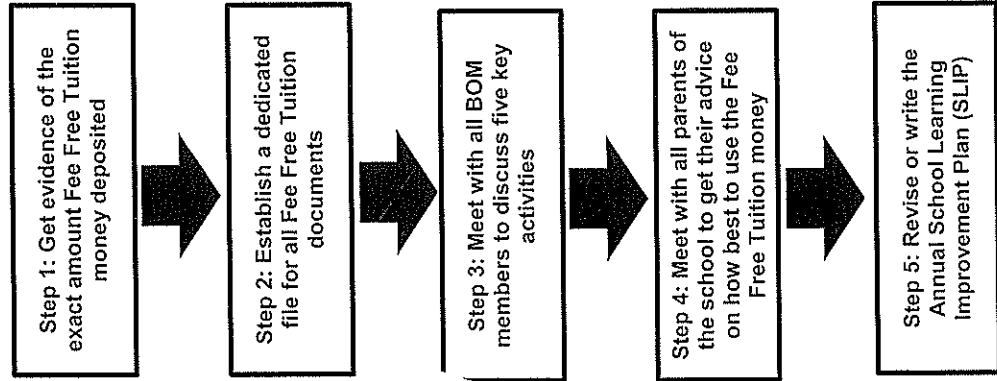
- Mobile phones and laptops;
- School break-up parties;
- Payments of bride price;
- Payments of compensations;
- Hire vehicles;
- Personal loans;
- Illegal money schemes;
- Gambling;
- New or second hand vehicles (cars/trucks/tractors/buses) and motorbikes;
- Any expenditure that will not benefit the teaching and learning programs at the school.

**Part 5: Seven steps to use the Fee Free Tuition money**

**5.1 Introduction**

- This section explains the seven steps to use the Fee Free Tuition money. All BOM members must be aware of these steps.

**Diagram 1: Sequential steps to successfully use and acquit Fee Free Tuition money**



Each of these seven steps is explained in more detail below.

**Step 1: Get evidence of the exact amount Fee Free Tuition money deposited**

- It is very important for the Head Teacher, BOM Chair or other school staff member to get a statement or something in writing from the bank stating exactly how much Fee Free Tuition money was deposited by the government.
- The amount of money deposited must be reported to the BOM, and parents and guardians at a special meeting to discuss the Fee Free Tuition money.
- This evidence must be kept in a dedicated file at the school for checking by DEAs, PEAs or DoE HQ staff during monitoring and audits. Maintain a back-up copy in case of unforeseen circumstances.

**Step 2: Establish a dedicated Fee Free Tuition File for all documents**

- The BOM Treasurer must be aware of the record keeping requirements for Fee Free Tuition explained in this manual.

**Step 3: Meet with all BOM members to discuss five key activities**

- As soon as there is evidence of money in the Fee Free Tuition bank account then Head Teacher and BOM Chair must hold a meeting with all BOM members. At this meeting the following tasks must be completed:

- (a) *Explain the contents of the Fee Free Tuition Policy Management Manual*
  - o This task should be undertaken by the people who attended the training course given by the DEA on the Fee Free Tuition Management Manual.
  - o BOM members should be encouraged to read the Fee Free Tuition Management Manual so they fully understand it.



**(b) Show BOM members the evidence of the Fee Free Tuition funds in the bank account**

- o The Head teacher and BOM Chair must be fully transparent in all aspects of managing the Fee Free Tuition money.
- o Show all BOM members the statement listing the exact amount the school has been given.

**(c) Check that the school has been sent the correct amount of Fee Free Tuition money**

- o It is very important for each school to check that they have been given the correct amount of money by going to the bank to see the exact amount of money that has been deposited by the Department of Education.

o First, check the total student enrolment figure that was listed by the Head Teacher in the 2011 National Education School Census Form that the school submitted. The Head Teacher should have kept a copy of this document in the school file.

- o Next, multiply the 2011 student enrolment number listed in the Census Form by the relevant fee amount listed in Table 1 above.

o Example 1: if an elementary school has 68 students then it should have been sent Kina 6,800, i.e. 68 students X 100 kina/child, which is the per child amount given by the government under the Fee Free Tuition Policy (see Table 1 above).

o Example 2: if a primary school has 523 students as the total enrolment in Grades 3 to 8 in 2011, listed on their submitted Census Form, then they should receive Kina 141,210, i.e. 523 students X 270/child, which is the per child amount given by the government under the Fee Free Tuition policy (see Table 1 above).

- o If the school has been given the incorrect amount – either too much or too little money – then they must contact the DEA or PEA immediately.

o Schools cannot keep quiet if they have been given too much money as the DEA and PEA will check this and then the Head Teacher and BOM members may have to refund this money if they have spent it.

**(d) Agree on where a public notice board will be put in the school to list the amount of Fee Free Tuition money the school has received**

- o The Head Teacher and BOM members must discuss and agree where they will put up a public notice board with the amount of money the school has received from the government under the Tuition Fee Free Policy.

o The notice board must be in a place that the public can see it even when the school is closed. The amount of money received should be listed in large letters so it is easy for people to read.

**(e) Prepare for a meeting with parents and guardians**

- o The Head Teacher and BOM members will need to organise a meeting with all parents and guardians to get their feedback on how they think the Tuition Fee Free money should be spent.

**Step 4: Meet with all parents and guardians of the school to get advice on how best to use the Fee Free Tuition money**

The agenda of the meeting with parents and guardians is:

- (a) Inform all parents and guardians of the amount of Fee Free Tuition money the school has received from the government;

- (b) Ask parents and guardians what they think the money should be spent on;

- (c) Reach consensus on what the Fee Free Tuition money will be spent on;

- (d) Explain the procedures given by the PEA on how to access the Fee Free Tuition money; and,

- (e) Agree on who will do what to successfully use to the Fee Free Tuition money.

- A BOM or school staff member must keep minutes of the meeting with parents and guardians.

- The meeting must be held at a time and place that is convenient for parents and guardians to attend.

**Step 5: Revise or write the Annual School Learning Improvement Plan (SLIP)**

- The Head Teacher and BOM must revise the Annual SLIP so that it reflects what has been agreed with parents and guardians at the recent meeting.

- The Annual SLIP must have a detailed and accurate budget explaining how the Fee Free Tuition money will be spent.

- When drafting the Annual SLIP it is important to provide as much detail as possible in the budget. For example, if text books are being purchased it is necessary to list the number of textbooks to be purchased, for what Grade and for what subject, and the price of each textbook.

- Each Annual SLIP budget must have two parts. Part 1 is a written explanation of the main items that will be listed in the budget. Part 2 is a detailed budget, which reflects that actual market prices for the goods or work that is planned to be undertaken. See the example below.

**Part 1: Annual SLIP Budget -- Explanation**

**(1) Classroom maintenance**

- o There are four classrooms in the school which need urgent maintenance work so that they provide a better quality learning environment for students.
- o Each classroom will be repaired and painted.
- o The school will buy the materials and the work will be undertaken by local carpenters.
- o The cost of materials (paint, nails, wood, iron sheets, and glass etc.) needed to repair each classroom is Kina 300.
- o The labour estimated to repair each classroom is 3 days, and the cost of one carpenter is Kina 50/day, so the cost per classroom will be K150.00.
- o 4 classrooms X K450 = K1, 800.

**Part 2: Annual SLIP Budget – Costs**

- The example budget below provides useful information on the cost of each item and the number to be purchased.

Name of item	Estimated cost of each item (Kina)	Number of items	Total Cost (Kina)
(1) Classroom maintenance – repair & painting of 4 classrooms	450/classroom	4	1,800.00
(2) Desks	50	20	1,000.00
(3) Chairs	25	20	500.00
(3) Textbooks	80	40	3,200.00
(4) Construction of a new teacher's house -- labour	100/day	40	4,000.00
<b>Total cost</b>			<b>10,700.00</b>

**Step 6: Implement the Annual School Learning Improvement Plan (SLIP) and account for all expenditures**

- The Head Teacher and BOM will be responsible for implementing the Annual SLIP. They will also be held accountable by the provincial government and the Department of Education for the correct use of Fee Free Tuition money.
- Accounting for all expenditures means that the school must use three main accounting books. These are:

**Payment Voucher Book**

- o A Payment Voucher Book is a standard school accounting book that you can buy in most bookstores.
- o Most Payment Voucher Books use a carbon copy so that one copy can be issued to the person or business that a school is purchasing goods from and one copy can be kept by the schools in the Fee Free Tuition File.
- o Every item that the school purchases using Fee Free Tuition money must be through issuing a Payment Voucher.

- o The Payment Voucher must be signed by the Head Teacher and the BOM Chair or BOM member.

- o Each Payment Voucher must state clearly: (i) the date; (ii) what is being purchased; (iii) the cost; (iv) the place of purchase; and, (v) the signatories (that is who has authorised the payment).

**Receipt Book**

- o The school must give a receipt for all the income the school receives.

**Combined Cash Book**

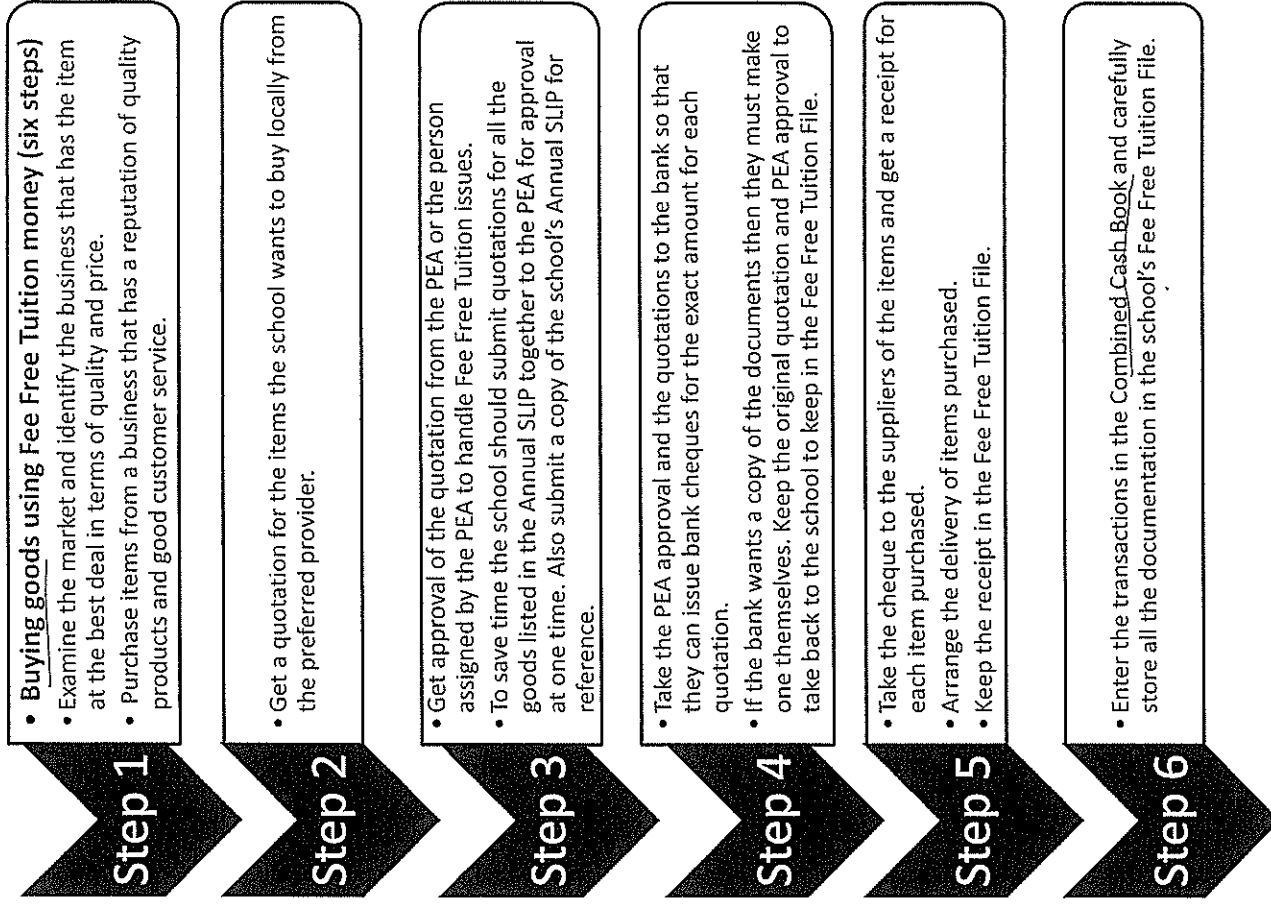
- o The Combined Cash Book is the most important financial record for the school.
- o All schools must use a Combined Cash Book.
- o The Combined Cash Book must record all transactions in receiving and spending Fee Free Education money.
- o Keep the Combined Cash Book in a safe and secure place.
- o More information of correctly using the Combined Cash Book is listed below.

**Step 7: Report on how the Fee Free Tuition money was spent to parents and DEA**

- The Head Teacher and Chair of the BOM must report on how the Fee Free Tuition money is used to all parents once every quarter.
- Every six months the Head Teacher and Chair of the BOM must meet with the DEA or district staff to have the schools records checked to make sure the Fee Free Tuition money is used correctly.

## Part 6: How to use and fully account for Fee Free Tuition money

- 6.1 Using the Fee Free Tuition money
- Head Teachers will most likely be the signatory of the Fee Free Tuition bank account. However this does not mean they can take out money and spend it as and when they like.
  - Rather the Department of Education and Provincial Departments of Education have put in place clear procedures to ensure that the Fee Free Tuition money is used to improve the quality of learning in schools throughout the country.
  - Once schools have an approved Annual SLIP in place they can start to purchase the items listed in their SLIP budget.
- 6.1.1 Buying goods using Fee Free Tuition money
- Some provinces may have specific procedures in place for purchasing items using Fee Free Tuition money so schools will need to check with their DEA or district education staff.
  - However, in general the six steps listed below should be followed to purchase goods, such as textbooks, chairs and construction materials.
- 6.1.2 Buying services using Fee Free Tuition funds
- Some provinces may have specific procedures in place for buying services, such as labour to construct classrooms, so schools will need to check with their DEA or district education staff.
  - However, in general the seven steps listed below can be followed to purchase services, such as labour.



**• Buying services using Fee Free Tuition funds (seven steps)**

- Write a Statement of Work or a letter saying exactly what services the school requires, e.g. painting school buildings.
- Put as much information as possible in the Statement of Work, e.g. for painting say who will provide the materials, how many coats of paint are needed, what preparation is required etc.

**Step 1**

- Get quotations for the services needed from locally contractors.
- Then choose the best quotation based on the reputation of contractor and the price give to do the work.

**Step 2**

- Secure approval of the quotation from the PEA or the person assigned by the PEA to handle to handle Fee Free Tuition issues.

**Step 3**

- Agree with the contractor on how the payment to the service provider will be made, for example, 15% at the start, 25% in the middle of the work and 60% at the end. Then write down what has been agreed on a price of paper and have it signed by the Head Teacher and the contractor.

**Step 4**

- Take the provincial approval and the quotations to the bank so that they can issue a cheque for the exact amount of each part of the contract payment.

**Step 5**

- Give the cheque to the contractor after they complete the work as agreed. For example, one cheque for 15% is given when they start, and one cheque when they are half-way etc.

**Step 6**

- Enter the transactions in the Combined Cash Book and carefully store all the documentation in the school's Fee Free Tuition File.

**Step 7**

**6.2 How to correctly use the Combined Cash Book**

- The following section explains how to correctly list information in the Combined Cash Book.
- The format for the Combined Cash Book is shown on the next page. Have a look at this page so it is clear what it looks like.
- The Department of Education will provide every elementary and primary school with a Combined Cash Book.
- The first entry of a brand new Combined Cash Book will be the total amount of money in the bank that the school has available to spend in 2012.
- Example 1 below the school has received Kina 54,620.00 Fee Free Tuition money from the government on March 2nd, 2012. See (a) below.
- The first item that the school purchased with the Fee Free Tuition money was materials to build new doors for 12 classrooms. See (b) below. Then the school listed a new balance after this transaction. See (c) below. The next purchase using Fee Free Tuition money was for a carpenter to undertake the work to make the doors. See (d) below.

**Example 1**

Date	Particulars (Transaction description)	Income (Kina)	Expenditure (Kina)	Balance (Kina)	Comments/evidence of the transaction
03/03/12 (a)	Money deposited into the BSP Fee Free Tuition bank account	54,620.00		54,620.00	See the bank statement from the BSP bank collected by the Head Teacher
15/03/12 (b)	Wood, nails, glue and paint for new doors for 12 classrooms		5,386.40		Approved by the PEA on 08/03/12 See receipt from Strong Building Supplies
16/03/12 (c)	New balance after the transaction			49,233.60	Entered by the Head Teacher
16/03/12 (d)	Labour for one carpenter to make 12 classroom doors		2,600.00		Approved by the PEA on 08/03/12 See Statement of Work and quotation from the carpenter
18/03/12	New balance after the transaction			46,633.60	Entered by the Head Teacher



### Part 7: Acquittal of Fee Free Tuition money

#### 7.1 Procedures for schools to acquit the Fee Free Tuition money

- All Head Teachers and Boards of Management Chairpersons must participate in a physical document acquittal undertaken by the DEA and district officers twice a year.
- The DEA will inform the Head Teacher, BOM Chair for each primary school, and the Teacher in Charge and BOM Chair for each elementary school, where they will meet in their district to have their documents examined and acquitted.
- The Head Teacher must bring the school's Combined Cash Book and all of the documents in the Fee Free Tuition File to the meeting with the DEA and district officers.
- At the meeting the DEA will closely examine all of the documentation and then write a report on the extent to which a full acquittal has been completed. One copy of the report will be given the Head Teacher and BOM Chairman, while another copy will be sent to the PEA. The third copy of the report will be kept by the DEA for his file.
- The reporting form that will be used by the DEA and district education staff is listed below.

### Fee Free Tuition Monitoring Form

**Note for Monitoring Officer:**

- This report must be completed with four people present: (1) Headteacher; (2) BOM Chair; (3) BOM Treasurer; and, (4) Parent and Citizen Association representative (ideally the Chair).
- The questions listed below require Monitoring Officers to use their experience and intuition.
- Write neatly to complete this report in a blue or black pen only.

1. Questionnaire No.	1a. District Name
2. Name of School	
3. School Code	
4. Bank Name	
5. Bank Account Name	
6. Bank Account No.	
7. Name of Monitoring Off.	Mobile Tel:
8. Time of meeting	Date:
9. Name of HT	Mobile Tel:
10. Name of BOM Chair	Mobile Tel:
11. Name of BOM Treas.	Mobile Tel:
12. Name of P&C Rep.	Mobile Tel:

Explain why someone is not present:

	Marks	
	(a) Yes	(b) No
13. Does the Head Teacher or TIC or BOM Chair/Treas. have a document, like a bank statement, showing the exact amount of the <b>first</b> Fee Free Tuition payment made in the school's bank account? (check that the statement is from Q1)		
<ul style="list-style-type: none"> <li>o If there is a document then write 10 marks in space (a).</li> <li>o If there is no document write 0 marks in space (b).</li> </ul>		
14. If there is a bank statement then write the exact amount that was received for the first Fee Free Tuition payment (leave blank if there is no bank statement)		K
15. If there is no bank statement then ask the HT or TIC or BOM Chair/Treas. how much they think they were given for the first payment? Or see how much is listed in the Combined Cash Book. Then write the number in the space → Next go to Question 17.		1 <sup>st</sup> Payment K
16. Does the school have a document, like a bank statement, showing the exact amount of the <b>second</b> Fee Free Tuition payment made in the school's bank account? (check that the statement is from June, July or Aug)		2 <sup>nd</sup> payment K
<ul style="list-style-type: none"> <li>o If there is a bank statement then write the exact amount that was received for the second payment (leave blank if there is no bank statement) Next go to Question 18.</li> </ul>		

17. Does the school have a dedicated file with all of the documentation about how the school has spent the Fee Free Tuition money? o If there is a file then write 10 marks in space (a). o If there is no file write 0 marks in space (b). Next go to Question 19.	Marks	
	(a) Yes	(b) No

18. In 2012, has there been one or more meetings held by the school with Parents and Citizen members to inform them about the Fee Free Tuition money? o If there was a meeting then write 10 marks in space (a) (the P&C rep. should be able to confirm this) o If there are no meeting then write 0 marks in space (b).	Marks	
	(a) Yes	(b) No

19. Does the school have a current School Learning Improvement Plan (SLIP)? o Ask to see the SLIP. If they have an up to date document then write 10 marks in space (a). o If they do not have a SLIP then write 0 marks in space (b).	Marks	
	(a) Yes	(b) No

20. Does the school have a budget stating how the Fee Free Tuition money will be spent in 2012? o Ask to see the budget. If they have an up to date document then write 10 marks in space (a). o If they do not have a budget then write 0 marks in space (b).	Marks	
	(a) Yes	(b) No

**Examination of how the Fee Free Tuition money has been spent**

**Notes for Monitoring Officer:**

- At this point you need to undertake a detailed examination of the school's Combined Cash Book or Excel file or Budget Book or similar document, followed by checking of the documents in the school's Fee Free Tuition File.
- First, ask the Head Teacher and BOM Chair to show you where the total amount of Fee Free Tuition money is listed in the document the school is using. Next examine the expenditure items listed, after the amount of Fee Free Tuition money was entered. Now compare the school's budget (if they have a document) and answer the question below.

21. Has the budget been followed? i.e. the budget items are reflected in the Combined Cash Book similar document o If the budget and Combined Cash Book similar document aligned (i.e. the budget is being followed) then write 10 marks in space (a). o If they do not have a budget then write 0 marks in space (b).	Marks	
	(a) Yes	(b) No

- Examine the expenditure items in the Combined Cash Book or similar document and then choose the two largest in terms of **kind spent to date** (i.e. two items that cost the most). These can be for goods, such as building materials and textbooks, or for services, such as labour.
- For the first expenditure item complete questions 18 to 21. For the second item answer questions 22 to 25.

- If there is no Combined Cash Book or similar document then tick the box below, and then answer questions 18-21 and 22-25 below.
- |  |  |
|--|--|
| 22a. This school has no Combined Cash Book or similar doc (Tick the box) |  |
|--|--|

**Analysis of 2 expenditure items**

18. Expenditure Item No. 1	Goods		Services		Answer	Score
18a. State what the money was spent on						
18b. What is the category of expenditure? (Tick one box)						
18c. How much was it for? K						
19a. Is there a quotation for the expenditure item? (Write Yes or No)						
19b. Is there a receipt for the expenditure item? (Write Yes or No)						
19c. Has this transaction been correctly listed in the Combined Cash Book or similar document? (Write Yes or No)						
Award scores based on the yes or no answers given -- "yes" = 5 marks, "no" = 0 marks.						<b>Total=</b>
20. Undertake a physical verification of the goods or results of the services that the money was spent on.						<b>Q19</b>
<ul style="list-style-type: none"> <li>Go and inspect the goods that were purchased or go and see results from the services paid for, for example, painting or building.</li> <li>Give one of three scores that best fits out of either 10 or 6 or 0 marks based on how well you were able to verify the expenditures.</li> <li>10 marks = good evidence that the good or services were purchased and there appears to have been a positive impact at the school.</li> <li>6 marks = some evidence that the goods or services were purchased.</li> <li>0 marks = no or very poor evidence that the goods or services were purchased.</li> </ul>						
<b>Score Q20</b>						
21. Examine the receipt of the expenditure item. Write down the name of the company and the contact telephone.						
Name of company:					Telephone number (s):	
Call the company and verify that the goods or service for the amount listed in the Combined Cash Book or the invoice/receipt were delivered.						
Based on what you find out give one of two scores:						
<ul style="list-style-type: none"> <li>10 marks = good evidence that the good or services were purchased as the document show.</li> <li>0 marks = something is clearly wrong with the documentation and it needs to be investigated.</li> </ul>						
<b>Score Q21</b>						
Write any explanatory notes here:						

**Note:** Complete the summary table below.

- Complete the table below by listing the marks you have awarded above.

**Table 1: Summary of Marks from Questions**

	Marks awarded	
	(a)	(b)
Question 14	/10	/10
Question 18	/10	/10
Question 19	/10	/10
Question 20	/10	/10
Question 21	/10	/10
Question 22	/10	/10
Total Marks (combine for both columns)	Out 60 marks	

**Table 2: Combined findings from the review of up to 15 expenditure items**

Expenditure Item No. 1	Marks
Question 19 combined score =	/15
Question 20 combined score =	/10
Question 21 combined score =	/10
Expenditure Item No. 2	
Question 23 combined score =	/15
Question 24 combined score =	/10
Question 25 combined score =	/10
<b>Total score out of 70 marks =</b>	

<b>Total score out of 130 marks (Table 1 + Table 2 scores) =</b>
--

**Notes for Monitoring Officer:**

- Study the information listed in Tables 1 and 2 above and make a recommendation of either a "Pass" or "Fail" mark for the school.
- At this point it should be clear as to whether or not the school has managed the Fee Free Tuition money well or poorly. If the marks are low then clearly there are problems that the school needs to sort out and it will have a fail mark.
- If the school has done a good job managing the money and there is good documentation as to how the money has been spent then a "Pass" mark should be given.
- If there are problems with how the Free Fee Tuition money has been managed then a "Fail" mark should be given.

22. Expenditure Item No. 2	Goods	Services	Answer	Score
22a. State what the money was spent on				
22b. What is the category of expenditure? (Tick one box)				
22c. How much was it for? K				
23a. Is there a quotation for the expenditure item? (Write Yes or No)				
23b. Is there a receipt for the expenditure item? (Write Yes or No)				
23c. Has this transaction been correctly listed in the Combined Cash Book or similar document? (Write Yes or No)				
Award scores based on the yes or no answers given -- "yes" = 5 marks, "no" = 0 marks. Q23				<b>Total =</b>
24. Undertake a physical verification of the goods or results of the services that the money was spent on.				
<ul style="list-style-type: none"> <li>• Go and inspect the goods that were purchased or go and see results from the services paid for, for example, painting or building.</li> <li>• Give one of three scores that best fits out of either 10 or 6 or 0 marks based on how well you were able to verify the expenditures.</li> <li>• 10 marks = good evidence that the good or services were purchased and there appears to have been a positive impact at the school.</li> <li>• 6 marks = some evidence that the goods or services were purchased.</li> <li>• 0 marks = no or very poor evidence that the goods or services were purchased.</li> </ul>				
<b>Score Q24</b>				
25. Examine the receipt of the expenditure item. Write down the name of the company and the contact telephone.				
Name of company:	Telephone number (s):			
Call the company and verify that the goods or service for the amount listed in the Combined Cash Book or the invoice/receipt were delivered.				
Based on what you find out give one of two scores:				
<ul style="list-style-type: none"> <li>• 10 marks = good evidence that the good or services were purchased as the document show.</li> <li>• 0 marks = something is clearly wrong with the documentation and it needs to be investigated.</li> </ul>				
<b>Score Q25</b>				
Write any explanatory notes here:				



Overall performance mark of the school in managing the Fee Free Tuition money

Pass or Fail? – (Tick one box)	Description of Score
<p><b>Pass</b></p>	<ul style="list-style-type: none"> <li>• An examination of the scores listed in Tables 1 and 2 above show that overall the school has done a <u>satisfactory job</u> in <u>fully accounting for Free Fee Tuition money</u>.</li> <li>• Under a Pass mark there may be some minor mistakes that the school has made, however, these can be addressed in the future.</li> </ul>
<p><b>Fail</b></p>	<ul style="list-style-type: none"> <li>• An examination of the scores listed in Tables 1 and 2 show that overall the school has <u>done a poor job</u> in <u>fully accounting for Free Fee Tuition money</u>.</li> <li>• Under a Fail mark there is a need for a follow-up school visit to fully understand and help solve the problems found.</li> </ul>

Write a statement in the right-hand box explaining or justifying the Pass or Fail mark that has been given


Signed by Monitoring Officer \_\_\_\_\_ Date: \_\_\_\_\_

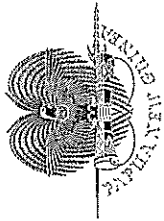
Signed by HT	I have been told the score our school has been given & I understand why
Signed by BOM Chair	I have been told the score our school has been given & I understand why
Signed by BOM Treasurer	I have been told the score our school has been given & I understand why
Signed by P&C rep.	I have been told the score our school has been given & I understand why

Recommendations Report for \_\_\_\_\_ school

Recommendations for the school to address

- Complete the recommendations report below and give it the school.
- One report should be given to every school for both pass and fail awards.

1. Name of Monitoring Officer \_\_\_\_\_ Mobile Tel: \_\_\_\_\_

**MINISTRY OF EDUCATION  
WAIGANI**

Date: 06/01/2012  
File: GC5-1-1/CF2-1-2

**MINISTERIAL POLICY STATEMENT No. 01/2012  
SUBJECT: TUITION FEE FREE/ SUBSIDY POLICY 2012**

**1. AUTHORITY**

This Ministerial Policy Statement (MPS) is issued under Section 27 (7) of the *Education Act 1983* (Consolidated to No. 13 of 1995) and should be read in conjunction with Secretary's Circular No. 02/2012

**2. PURPOSE**

The purpose of this MPS is to inform all concerned stakeholders regarding the 2012 Tuition Fee Free Education/Subsidy Policy.

**3. APPLICATION**

This MPS applies to all education authorities and students of schools and institutions within the National Education System (NES) and, the Approved Permitted Schools

**4. Definition**

4.1. The Tuition Fee Free Education means that -

4.1.1. Parents and Guardians of students attending NES schools and institutions will not pay the approved 2012 maximum fee limits set by the National Education Board (NEB).

4.1.2. The National Government will pay in full the maximum fee limits from Elementary Preparatory to Grade 10.

4.2. "Tuition fee subsidy" means that -

4.2.1. The National Government will pay 75% of the total approved NEB maximum fees for Vocational Centres, Grades 11 and 12 in Secondary and National High Schools.

4.2.2. The National Government will also pay 75% of the 2012 tuition fees in Flexible, Open and Distance Education (FODE). This will be a one-off payment.

4.2.3 The National Government will also make a one-off payment of K30.00 per student in approved Permitted Schools and Inclusive Education Resource Centres.

4.3 National Government Tuition Fee free funds will only be paid to schools that are currently registered and operating.

**5. THE NATIONAL GOVERNMENT 2012 TUITION FEE FREE/SUBSIDY POLICY**

5.1. The National Government has appropriated K300 million in the Supplementary Budget in 2011 and another K302 million in the 2012 Recurrent Budget, totaling to K602 million.

5.2. The AusAID assistance this year is Aus\$8.4 million to support this Tuition Fee Free/Subsidy Policy and the Universal Basic Education (UBE) Policy.

**6. NEB APPROVED MAXIMUM FEE LIMITS AND BREAKUP OF THE TUITION FEE FREE PER SECTOR PER PROVINCE**

6.1 NEB maximum fee limits for 2012

The table below contains the approved maximum fee limits, components to be paid by the National Government and the parents.

Table 1. NEB Maximum Tuition Fee Limits for 2012

School Level	NEB Maximum Fee Limits	Govt Contribution	Parental Contribution
Elementary (EP, E1 - E2)	100	100	0
Primary (Grades 3 - 8)	270	270	0
Lower Secondary (Day)	900	900	0
Lower Secondary (Boarding)	1500	1500	0
Vocational (Day)	900	675	225
Vocational (Boarding)	1300	975	325
Upper Secondary (Day)	990	743.00	247.00
Upper Secondary (Boarding)	1500	1125	375
Flexible & Open Distance Education (one off payments)	100	75	25
*Approved Permitted Schools per student (one off payment)		30	30
*Inclusive Education (one off payment)		30	30

\*The figures shown in column 3 of Table 1 for Approved Permitted Schools and Inclusive Education Resource Centers were set by the Department of Education.

**6.2 National Institutions**

The National Institutions not included in the NEB Maximum Fee Limits in 2012, Technical Colleges, Teachers Colleges and Business Colleges because the Tuition Fee Free/Subsidy Policy does not apply to them.

**6.3 Breakup of tuition fee free payments per province per sector**

Table 2 shows the summary of payments of tuition fees by province and by sector with the funding from the National Government. This summary is for the first payment in January 2012. The amount will vary in the second payment in June/July 2012.

Table 2: Summary of Electronic Fund Transfer for First Payment by Province and Sector

PROV	SECTOR	FUNDING		NEW ZEALAND GOVT		AUSTRALIAN GOVT		UNITED KINGDOM GOVT		EUROPEAN UNION		WORLD BANK		UNIVERSITY DONATIONS		RENTS		OTHER		
		Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount
1	WESTERN	4,415	100	4,415	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	GULF	2,847.20	100	2,847.20	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	CENTRAL	3,083.70	100	3,083.70	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	MILNE BAY	4,695.10	100	4,695.10	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	ORO	2,511.00	100	2,511.00	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	SOUTHERN HIGHLANDS	3,011.10	100	3,011.10	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	EASTERN HIGHLANDS	4,650.50	100	4,650.50	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	SIMBU	4,236.60	100	4,236.60	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	WESTERN HIGHLANDS	5,474.00	100	5,474.00	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	SANDAUN	4,358.60	100	4,358.60	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	EAST SEPIK	6,238.40	100	6,238.40	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12	MADANG	4,369.80	100	4,369.80	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	MOROBE	2,000.00	100	2,000.00	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	WEST NEW BRITAIN	3,801.00	100	3,801.00	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	EAST NEW BRITAIN	3,266.60	100	3,266.60	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16	NEW IRELAND	579.30	100	579.30	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	BOUGAINVILLE	0.00	100	0.00	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	MANUS	2,179.70	100	2,179.70	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	NATIONAL CAPITAL DISTRICT	0.00	100	0.00	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	ENGA	1,380.40	100	1,380.40	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	KIUNGA/LAKE MURRAY	0.00	100	0.00	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	TOTAL	59,462.8	100	59,462.8	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Source: National Government  
 \*Amounts are in Kina (K) and are subject to change without notice.

**7. THE TUITION FEE FREE/SUBSIDY POLICY AND EDUCATION SECTOR PLAN**

The introduction of Tuition Fee Free Education Policy in 2012 will support the implementation of all Global and Papua New Guinea (PNG) Education sector plans.

**8. OTHER NATIONAL GOVERNMENT EDUCATION GRANTS**

**8.1 Provincial Education Functional Grant**

The 2012 National Government Budget appropriated K59.5m for Education Functional Grants (EFGs) for all provinces with the exception of the Autonomous Region of Bougainville (ARoB) and the National Capital District (NCD). The

**8.2 District Support Improvement Program (DSIP)**

The Government also allocates some funding from this program towards supporting education in each District.

Table 3 on p6 shows the EFGs allocated to provinces for 2012.

Table 3. Education Functional Grants for 2012

NO	PROVINCE	APPROPRIATION
1	WESTERN	779.8
2	GULF	2,847.20
3	CENTRAL	3,083.70
4	MILNE BAY	4,695.10
5	ORO	2,511.00
6	SOUTHERN HIGHLANDS	3,011.10
7	EASTERN HIGHLANDS	4,650.50
8	SIMBU	4,236.60
9	WESTERN HIGHLANDS	5,474.00
10	SANDAUN	4,358.60
11	EAST SEPIK	6,238.40
12	MADANG	4,369.80
13	MOROBE	2,000.00
14	WEST NEW BRITAIN	3,801.00
15	EAST NEW BRITAIN	3,266.60
16	NEW IRELAND	579.30
17	BOUGAINVILLE	0.00
18	MANUS	2,179.70
19	NATIONAL CAPITAL DISTRICT	0.00
20	ENGA	1,380.40
21	KIUNGA/LAKE MURRAY	0.00
	TOTAL	59,462.8

## 9. ADMINISTRATION PROCESSES AND COMPLIANCE

- 9.1. The administration of the Tuition Fee Free / Subsidy Policy at the Department of Education level is managed by a team of officers appointed by the Secretary for Education to oversee and monitor the implementation of the Policy.
- 9.2. The records and receipts of expenditures of the funds are to be maintained by the schools for reporting and auditing purposes as required by the *Public Finances (Management) Act 1995*. The Secretary's Circular No. 02/ 2012 has detail guideline on this.
- 9.3. All finances will be managed strictly in accordance with financial procedures, instructions, laws and regulations as stipulated under the *Public Finance (Management) Act of 1995*, and will be subjected to audit inspections by the Department of Education Internal Auditors and Provincial Administration Auditors.
- 9.4. This new change in the method of subsidy payments, means ALL SCHOOLS MUST OPEN AND MAINTAIN AN OPERATING SCHOOL BANK ACCOUNTS.

## 10. CONCLUSION

- 10.1 The National Government Tuition Fee Free/Subsidy Policy is aimed at meeting the Millennium Development Goals and all the PNG education sector plan's goals and outcomes.
- 10.2 In 2012 the National Government has decided to take over and relieve parents from their responsibility of paying tuition fees.
- 10.3 Education is a shared responsibility and therefore all beneficiaries of this National Government policy are encouraged to cooperate and participate meaningfully to achieve this policy.



**HON. THEODORE ZURENUOC - MP**

Minister for Education

### Distribution:

- All SSM members
- All Provincial Administrators
- All Provincial Education Advisors
- All District Education Administrators
- All Superintendents
- All School Standards Officers
- All Principals of Primary Teachers' Colleges
- All Principals of National High Schools
- All Principals of Secondary Schools
- All Head Teachers of High Schools
- All Head Teachers of Primary Schools and Community Schools
- All Head Teachers of Elementary Schools
- All Managers/Managers of Vocational Centres
- All Church Education Secretaries



## DEPARTMENT OF EDUCATION WAIGANI

Date: 06/01/2012  
File: CM2-4-2

### SECRETARY'S CIRCULAR NO. 02 /2012

**SUBJECT: ADMINISTRATION OF THE FIRST PART OF THE TUITION FEE FREE/ SUBSIDY POLICY 2012.**

#### 1. AUTHORITY

- 1.1. This Secretary's Circular is issued under Section 28 and Section 29 of the *Education Act 1983* (Consolidated to No. 13 of 1995).
- 1.2. The Circular is to be read in conjunction with the Ministerial Policy Statement (MPS) No. 01/2012 dated 06/01/2012.

#### 2. PURPOSE

This Secretary's Circular sets out the administrative arrangements for the first part of the 2012 Tuition Fee Free/Subsidy funds payments to schools and the responsibilities of the respective education authorities such as the Department of Education (DOE), Provincial Divisions of Education (PDOE), school Principals, Head teachers and Managers/Managers, and school governing boards in managing the funds. These arrangements relate to:

- 2.1 electronic funds transfer (EFT) to school accounts, and
- 2.2 reporting of the electronic transfer and distribution of funds, and
- 2.3 expenditure of the funds by schools through Combined Cash Books and Financial Report Template, and
- 2.4 Keeping records of receipts of expenditure and financial reports by schools for acquittal and audit purposes.

### 3. DEFINITION

- 3.1. The Tuition Fee Free Education means that –
- 3.1.1. Parents and Guardians of students attending National Education System (NES) schools and institutions will not pay the approved 2012 maximum fee limits set by the National Education Board (NEB).
  - 3.1.2. The National Government will pay in full the maximum fee limits from Elementary Preparatory to Grade 10.
- 3.2. "Tuition fee subsidy" means that –
- 3.2.1. The National Government will pay 75% of the total approved NEB maximum fees for Vocational Centres, Grades 11 and 12 in Secondary and National High Schools.
  - 3.2.2. The National Government will also pay 75% of the 2012 tuition fees in Flexible, Open and Distance Education (FODE). This will be a one-off payment.
  - 3.2.3. The National Government will also make a one-off payment of K30.00 per student in approved Permitted Schools and Inclusive Education Resource Centres.
- 3.3. National Government Tuition Fee free funds will only be paid to schools that are **currently registered and operating**.
- 4.0 THE NATIONAL GOVERNMENT 2012 TUITION FEE FREE EDUCATION**
- 4.1. The National Government has appropriated K602 million in 2012 for tuition fee free education. This funding will relieve the burden on parents and guardians of students having to pay tuition fees in 2012.
  - 4.2. Therefor all children currently enrolled in Elementary prep to Grade ten (10) in the national education system schools will benefit from this new tuition fee free funds.
  - 4.3. This fund will also pay for new elementary intake as well as those students who are qualified to continue to grade nine (9) in all national education system schools.
  - 4.4. The Australian Government is also going to assist GoPNG with AUD\$8.4 million to support the provision of universal basic education in PNG.

### 5.0 NATIONAL GOVERNMENT 2012 TUITION FEE SUBSIDY PAYMENTS

- 5.1. The National Government under this Policy will subsidies 75% of the National Education Board (NEB) approved tuition fees for students enrolled in grades 11 and 12 in secondary schools, and national high schools. This also applies to students attending vocational centres and Flexible, Open and Distance Education (FODE).
  - 5.2. The parents/guardians will pay their portion of 25% for the students in these sectors
  - 5.3. Therefore **NO STUDENT WILL BE SENT AWAY FROM SCHOOL FOR NON-PAYMENT OF SCHOOL FEES.**
  - 5.4. For those children who have left school previously for a genuine reason can continue their education through an alternative education pathway for example Flexible Open Distance Education (FODE), Vocational Education institutions or any Approved Permitted Schools.
- 6.0 OTHER FEES**
- 6.1 PROJECT FEES**
- 6.1.1. The project fees that schools plan to charge must be for specific project purpose and should be affordable by the parents and guardians. School Authorities should not suspend students from schools for failing to pay project fees.
  - 6.1.2. The Provincial institutions that wish to charge project fees must formally write to their respective Provincial Education Boards (PEBs) and seek approval prior to charging project fees.
  - 6.1.3. The National High Schools that wish to charge project fees must seek prior approval from the National Education Board (NEB) before charging the fees.
  - 6.1.4. Unless, approval is granted by the respective Education Boards, no school is to impose and collect project fees from parents/guardians of the students attending the NES schools.

**6.2 AGENCY FEES**

6.2.1 Any member Education Agency of the NES that wishes to impose education agency fees must seek approval from the National Education Board, prior to charging the fee.

**7.0 QUALIFICATION FOR TUITION FEE/SUBSIDY FEES.**

7.1 All institutions and schools including Education Agency schools that are members of the NES.

7.2 All institutions and schools that have provided their latest school data to the DoE.

7.3 In reference to number 7.2 above the DoE will not pay tuition fees/subsidies to schools that it does not have the latest data from.

7.4 Any institution or school that missed out in first payment because of NILL DATA, must provide its latest data to DoE before 30<sup>th</sup> of April 2012.

7.5 No institution and or school will be paid its tuition fee/subsidy if it does not submit its accurately completed National School Census form by 30<sup>th</sup> April every school year.

**8.0. METHODS OF PAYMENT**

The 2012 Tuition Fee Free and Tuition Fee Subsidy funds will be paid to schools in two (2) instalments.

8.1. The first installment of tuition fee free payment will be 50% of the total fees for the year and it will be paid in January, 2012. This payment is based on 2011 enrolments and will go to elementary, primary and lower secondary schools.

8.2. Similarly the first payment of 67% of the total tuition fee subsidy for 2012 is based on the 2011 enrolment figures. This will be paid to grades eleven and twelve in January 2012.

8.3. For Flexible, Open and Distance Education (FODE), Inclusive Education Resource Centers (IERC) and the Approved Permitted Schools will receive a one-off payment in the first installment.

8.4. The remaining balance of 50% for elementary to grade 10 and 33% for grades 11 and 12 and Vocational Centers will be paid in the second payment around June/July 2012.

The second payments will be based on the 2012 enrolment figures from the national education schools census forms provided by schools.

8.5. Eventually all tuition fee payments to the schools will be made through the Banks through electronic fund transfer (EFT) system

8.6. Therefore, all schools are required to return/submit their 2012 national education school census forms to Data Branch of the DoE, by the 30<sup>th</sup> of April 2012.

Table 1 below shows the summary of payments of tuition fees by province and sector with the funding from the National Government. This summary is for the first payment in January 2012. The amount shown in Table 1 will change in the second payment in June/July 2012.

TABLE 1: SUMMARY OF ELECTRONIC FUND TRANSFER BY PROVINCE AND SECTOR

PROVINCE CODE	2012 TUITION FEE FREE/SUBSIDY - FIRST PAYMENTS											PROVINCIAL TOTAL
	PROVINCE	ELEMENTARY	PRIMARY	HIGH/SECONDARY	NATIONAL HIGH	VOCATIONAL	FODE	INCLUSIVE EDUCATION	PERMITTED			
51	WESTERN	466,125	1,592,394	1,417,730	-	328,637	306,519	3,300	-	4,161,765		
52	GULF	467,765	1,111,104	1,418,377	-	28,196	62,914	-	-	3,078,356		
53	CENTRAL	998,305	3,274,399	4,565,691	533,297	159,997	363,872	-	3,531	9,888,092		
54	MILNEBAY	1,319,230	4,327,576	6,013,612	-	593,658	113,959	4,026	1,947	12,374,008		
55	ORO	1,049,180	2,250,893	2,070,517	-	408,100	99,351	-	2,541	5,880,552		
56	SHP	4,114,715	9,599,646	6,850,117	-	569,495	220,448	5,478	3,927	21,363,826		
57	FHP	3,007,950	8,066,752	7,279,088	699,768	387,244	201,109	11,781	71,412	19,664,594		
58	SIMBU	1,712,095	4,521,412	4,994,489	-	594,515	104,248	41,943	2,607	11,971,309		
59	WHP	2,928,310	9,773,335	8,942,083	-	762,696	104,414	16,566	30,855	22,558,259		
60	SANDALIN	794,640	3,282,182	2,686,541	-	406,112	99,102	43,329	34,023	7,344,929		
61	EAST SEPIK	1,804,880	7,501,075	6,911,850	638,268	457,066	160,024	7,326	16,269	17,497,758		
62	MADDANG	2,389,520	5,863,747	4,599,342	-	573,463	89,972	7,425	6,897	13,530,376		
63	MOROBE	3,044,470	10,411,835	10,470,045	357,238	634,002	428,776	12,045	47,619	25,466,032		
64	WHBP	1,555,730	4,171,233	2,459,798	-	948,436	106,821	2,475	11,083	9,255,581		
65	ENBP	1,808,090	5,374,910	6,447,897	372,772	1,073,066	466,128	8,151	19,668	15,370,632		
66	NIP	948,640	2,824,515	3,114,356	-	483,733	134,875	1,320	7,194	7,519,633		
67	AROB	1,510,300	4,763,739	4,774,179	-	489,036	245,099	17,490	-	11,744,843		
68	IMANUS	289,300	1,013,349	1,618,140	-	95,945	128,733	1,023	-	3,146,490		
69	NCO	1,249,545	5,241,400	5,306,244	444,210	599,971	1,079,747	24,321	413,127	14,352,565		
70	ENGA	2,650,175	5,911,173	4,891,710	-	340,544	82,419	3,531	12,177	13,871,729		
71	KLMD	496,705	1,392,554	1,828,314	-	347,134	-	6,270	21,549	4,092,516		
TOTAL PNG		34,395,680	102,257,223	98,610,100	2,986,003	10,249,046	4,598,532	217,800	706,431	254,013,815		

**9.0 NEB APPROVED MAXIMUM FEE LIMITS FOR 2012**

**9.1 NEB Maximum Fee Limits for 2012**

The table 2 below contains the approved maximum fee limits components to be paid by the National Government and the parents. It also shows the different school levels in Column 1, Column 2 shows the approved NEB Maximum Fee Limits, the National Government Contribution in Column 3 and the Parental Contribution in Column 4.

**Table 2. NEB Maximum Tuition Fee Limits for 2012**

Column 1	Column 2	Column 3	Column 4
	NEB Maximum Fee Limits	Gov't Contribution	Parental Contribution
School Level			
Elementary (EP, E1 - E2)	100	100	0
Primary (Grades 3 - 8)	270	270	0
Lower Secondary (Day)	900	900	0
Lower Secondary (Boarding)	1500	1500	0
Vocational (Day)	900	675	225
Vocational (Boarding)	1300	975	325
Upper Secondary (Day)	990	743.09	247.00
Upper Secondary (Boarding)	1500	1125	375
Flexible & Open Distance Education (one off payment)	100	75	25
*Approved Permitted Schools per student (one off payment)		30	
*Inclusive Education (one off payment)		30	

\*The figures shown in column 3 of Table 1 for Approved Permitted Schools and Inclusive Education Resource Centers were set by the Department of Education.

**9.2 National Institutions**

The National Institutions not included in the NEB Maximum Fee Limits in 2012, Technical Colleges, Teachers Colleges and Business Colleges because the Tuition Fee Free/Subsidy Policy does not apply to them.

**10.0 ALLOCATION OF TUITION FEE FREE AND TUITION FEE SUBSIDY FUNDS PER STUDENT**

- 10.1 The tuition fee to be paid by the National Government under the Tuition Fee Free/Subsidy Policy per student from elementary prep to Grade 10 will be 100% of the 2012 NEB maximum fee limits as shown in column 3 of Table 2.
- 10.2 The tuition subsidy to be paid by the National Government under the Tuition Fee Free/Subsidy Policy per student from Grade 11, Grade 12 in upper secondary schools, national high schools, vocational centers and Flexible, Open and Distance Education (FODE), will be 75% of the 2012 NEB maximum fee limits.

10.3 Approved Permitted Schools and Inclusive Education Resource Centers will be paid a one off payment of K30.00 per student.

**11.0 GENERAL GUIDELINE TO HELP SCHOOLS ADMINISTER THEIR 2012 TUITION FEE FREE AND TUITION FEE SUBSIDY FUNDS**

**11.1. School Bank Accounts**

11.1.1 All schools must open and maintain an operating school bank account with a commercial bank of the Governing Board's choice with close proximity to the school.

11.1.2 The school should inform Department of Education immediately if changes are made to their account details. It is the responsibility of the schools to ensure that their school bank accounts remain active for this purpose.

**11.2 Reactivation and Opening of New Bank Accounts**

In order to reactive a dormant account or to open a new bank account schools must do the following:

11.2.1 Have a copy of the minutes of the school board meeting confirming the need to open a school account and the office bearers or names of signatories.

11.2.2 Letter to the bank from the headmaster or principal introducing the account signatories.

11.2.3 Provide the secretary's letter to the bank with names and signatories and ID photos of the account signatories. A copy of the letter was sent to your Provincial Education Adviser on 9<sup>th</sup> January, 2012; file number CM2-1-1.

**11.3. Areas of Expenditure**

11.3.1. The Tuition Fee Free and Tuition Fee Subsidy funds can be used for:-

- (a) school basic supplies such as exercise books, pencils, chalk, clusters, text books, library books, or
- (b) sporting equipment, or
- (c) agriculture tools, or
- (d) boarding school food rations, or
- (e) teaching and learning resources, or
- (f) library books, or

- (g) maintaining school infrastructure such as classrooms, toilet facilities, dormitories, library buildings, desks, tables, chairs, teachers' houses and other furniture.

#### 11.4 Areas of Expenditure NOT allowed

- 11.4.1 The 2012 Tuition Fee Free and Tuition Fee Subsidy funds should not be used for :-
- (a) mobile phones, or
  - (b) school break-up parties, or
  - (c) payments of bride price, or
  - (d) payments of compensations, or
  - (e) hire vehicles, or
  - (f) personal loans, or
  - (g) illegal money schemes, or
  - (h) gambling, or
  - (i) any expenditure that will not benefit the teaching and learning programs at the schools.

#### 12.0 SCHOOL BUDGET AND EXPENDITURE MANAGEMENT

- 12.1 All schools must have a budget and must maintain an expenditure management records of all funds received and expended.
- 12.2 All Schools must comply with the requirements and procedures under the *Public Finances (Management) Act 1995* when expending school funds.

#### 13.0 COLLECTION OF TUITION FEES

##### 13.1 Collection of Tuition Fees

The School Boards are the sole authority under the law to collect and expend the school fees including the tuition fees and subsidies paid by either the National Government, Provincial Governments, Local-level Governments or parents/guardians.

##### 13.2 Financial Reporting

All schools must use the Combined Cash Book and Financial Reporting template to record all transactions for the year and provide a school financial report in early December 2012.

#### 13.3. Refund of Tuition Fees

- 13.3.1 No parents/guardians of students attending elementary school up to grade ten are to be charged school tuition fee this year.
- 13.3.2 Parents/Guardians of students attending grades 11 and 12 this year are asked to cooperate and pay their 25% of the school subsidy fees.
- 13.3.3 (a) Where parents/guardians of students in elementary prep up to grade 10 have wrongly told to pay and have paid the said fees, they **MUST** be refunded the full amount.
- (b) Similarly, if the parents/guardians of students in Grade 11 and 12 have paid any fees over and above the 25% of the NEB set Maximum Fee Limits they too **MUST** be refunded fully.

#### 14.0. MONITORING OF THE SCHOOL FINANCES

Provincial Education Advisors and Standard Officers in the provinces will be responsible for monitoring the management of all school funds. Proper records of payment and collection of all funds must be maintained by the school administration and be reported to school boards and parents/ guardians, the Department of Education and other education authorities as required under the *Public Finance Management Act 1995*.

#### 15.0. ACQUITTAL REQUIREMENTS

Every school that has received the 2012 Tuition Fee Free and Tuition Fee Subsidy fund is accountable and is required to:-

- 15.1. Acknowledge the receipt of the first payment, and
- 15.2. Keep proper records of expenditure of payments, and
- 21.3. Acquit these funds as required before the school year ends in December 2012, and
- 15.4. Keep daily records of all school financial transactions in the Combined Cash Book effectively and
- 15.5. Complete the Financial Reporting Template properly. The completed Financial Reporting Template is to be verified by the Provincial Education Adviser or his delegate. This information should always be made readily available together with the Combined Cash Book for auditors to inspect.
- 15.6. Heads of Schools who have failed to keep proper records of the funds will be disciplined under the *Teaching Service Act 1988* for not complying with the financial requirements under the *Public Finances (Management) Act 1995*.



15.7. School Boards that have failed to submit proper financial reports as required will be referred to the appropriate Education Boards and law enforcement agencies for investigation.

15.8. Schools need to note that all acquittal requirements will be strictly enforced. All acquittal documents must be sent through the Provincial Subsidy Coordinator to be forwarded to this address:-

The Assistant Secretary  
 Coordination, Communication & Legal Services  
 Department of Education  
 FinCorp Haus  
 P O Box 446,  
 WAIGANI  
 NCD

Attention: National Subsidy Coordinator

## 16.0 CONTACTS IN THE DEPARTMENT OF EDUCATION

16.1. For any other information schools should contact the following officers on the following numbers:-

- School Subsidy Coordinator on Phone: **301 3419**
- Manager, Basic Education Coordination Unit: **301 3399**,
- Assistant Secretary – Coordination, Communication and Legal Services: **301 3367**
- Fax Number: **325 4648**
- Email: [Lausi\\_Kave@educationpng.gov.pg](mailto:Lausi_Kave@educationpng.gov.pg)

## 17.0 COMPLIANCE WITH TUITION FEE FREE/ SUBSIDY POLICY

17.1. Provincial Education Authorities and School Authorities must comply with the National Government's Tuition Fee Free/Subsidy Policy.

17.2. Students are not to be suspended from schools for non-payment of fees and or project fees without exhausting all avenues available in favour of the student.

## 18.0 RESPONSIBILITY OF SCHOOL ADMINISTRATORS

School Head Teachers, Principals and Managers/ Managers are required to comply with the National Government's Tuition Fee Free/Subsidy Policy. At the same time, they must advocate for the policy clearly to the students, parents, guardians and School Boards.

## 19.0 CONCLUSION

19.1. The records at the Department of Education showed that many schools, through their provincial education offices, have not submitted their national education schools census forms with the enrolment figures for 2011. The records also indicated that some schools have not submitted the

2011 Education Subsidy acquittals by the due dates. These problems make it difficult for the work on 2012 payments of Tuition Fee Free and Tuition Fee Subsidy funds to proceed smoothly. It is therefore, important that education authorities at all levels and in the schools comply with the 2012 Tuition Fee Free/Subsidy Policy. In particular, it is important that the education authorities adhere to the requirements set down for the administration of both the first payment and second payment of the 2012 Tuition Fee Free and Tuition Fee Subsidy funds.

19.2. Whilst the 2012 Tuition Fee Free/ Subsidy Policy will have an impact on many families and outcomes of education, there will be implications on how we manage the distribution and expenditure of the funds from the National Government, Aus AID, provincial governments and parents/guardians. Therefore, all education authorities must ensure that the administration of the funds is in compliance with the policies and laws relating to management of public funds.

19.3. All principals, head teachers and managers/managers are urged to contact the Assistant Secretary, Coordination, Communication and Legal Services Division (CCLS) or the Manager for Basic Education Coordination or the Subsidy Coordinator for any clarification on the contact numbers as stated on page 11.



**DR. MUSAWE SINEBARE, PhD**  
 Secretary for Education

### Distribution:

- All SSM members
- All Provincial Administrators
- All Provincial Education Advisors
- All District Education Administrators
- All Superintendents
- All School Standards Officers
- All Principals of Primary Teachers' Colleges
- All Principals of National High Schools
- All Principals of Secondary Schools
- All Head Teachers of High Schools
- All Head Teachers of Primary Schools and Community Schools
- All Head Teachers of Elementary Schools
- All Managers/Managers of Vocational Centres
- All Church Education Secretaries

Published in 2012  
Department of Education  
Papua New Guinea

© Copyright 2012, Department of Education,  
Papua New Guinea

ISBN 978-9980-87-039-1  
National Library Service of Papua New Guinea