

## INFORMATION ON THE APPLICATION PROCESS

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Issued by: NERA

Approved by: Chief Executive Officer

## 1. Purpose and Scope

This document provides necessary information on the NERA Verification process to enable applicants to apply for a BEE verification. This document should be read in full prior to submitting a formal application for BEE verification.

## 2. Verification

NERA verification is official recognition that an organisation is in compliance with the Broad Based Black Economic Empowerment Act. NERA's verification is an independent and in-depth verification process aimed at establishing the BEE status of companies, closed corporations and economic entities. A verified entity (client) will have demonstrated through formal verification that it is in compliance with the BEE Act and the BEE Code of good practice.

## 3. Application Process

The verification process is described in **Appendix 1** together with the normal times required to complete each action in the process. All applications are processed internally in accordance with the process outlined in the NERA Administration Process (**P08-01**). When an enquiry pertains to an organisation seeking verification, **NERA** will forward the verification guide to the potential applicant **OR** alternatively, the potential applicant can download the verification guide from our website [www.nerasa.co.za](http://www.nerasa.co.za)

The verification guide shall include the following documents:

- ◆ Information on the Application Process ( **A 02-01**)
- ◆ Application Form ( **F 04-01**)
- ◆ Standard Terms and Conditions ( **R 03-01**)

An application will not be processed until the **Completed application form, signed standard terms and conditions, and the appropriate application fee** has been received by **NERA**.

## 4. The Application Form

Applicants are advised to read the relevant **NERA** documents in the verification guide prior to completing and submitting the **NERA** application form. When the applicant is confident that the organisation satisfies these requirements then the **NERA Application form (F 04-01)** should be completed.

## 5. Verification Manual

Once NERA received the above-mentioned documents the administrator will send the client an acknowledgement of receipt together with the relevant Verification Manual. The relevant Verification Manual must be completed and returned to NERA within 30 days with all the evidence documents attached.

## 6. Document Review

Once **NERA** receive the **Verification Manual** with all the required evidence documents the Operations Manager shall perform a document review and accept or reject their application for BEE verification.

## 7. On-site Verification

The dates for the on site verification will be such that the applicant shall be given at least two (2) weeks notice of the verification. A verification plan will be forwarded to the applicant, detailing the responsibilities of each member of the verification team. The verification plan is flexible and can accommodate the workings of the organisation should this be

necessary. The verification plan shall identify the BEE elements to be assessed, verified and evaluated. The verification shall be performed at the applicant's premises.

On completion of the on site verification, the verification team shall make one of the following recommendations by means of a **Recommendation Report (F 08-01)** regarding the applicants BEE status:

<b>BEE Status</b>	<b>Qualification</b>	<b>BEE Procurement Recognition Level</b>
Level One Contributor	≥100 points on the Generic Scorecard	135%
Level Two Contributor	≥85 but <100 points on the Generic Scorecard	125%
Level Three Contributor	≥75 but <85 points on the Generic Scorecard	110%
Level Four Contributor	≥65 but <75 points on the Generic Scorecard	100%
Level Five Contributor	≥55 but <65 points on the Generic Scorecard	80%
Level Six Contributor	≥45 but <55 points on the Generic Scorecard	60%
Level Seven Contributor	≥40 but <45 points on the Generic Scorecard	50%
Level Eight Contributor	≥30 but <40 points on the Generic Scorecard	10%
Non Compliant Contributor	<30 points on the Generic Scorecard	0%

## 8. The Approval

An impartial committee called the Approval Committee (AC) makes the final approval of an application for verification on behalf of the **NERA** Board. The committee may be composed of one or more experts and persons knowledgeable in the specific field of verification. The **NERA** Approval Committee shall review all documentation associated with the verification to ensure that all **NERA's** verification requirements have been met and applied and that the documentation can demonstrate this.

**NERA** shall notify all applicants in writing of the outcome of the Approval Committee's decisions with respect to their application. Applicants' cannot claim to be BEE verified until they have received the official notification (i.e. a verification certificate) of the Approval Committee's decision. This can be done electronically.

It is possible that the Approval Committee may make recommendations and/or decisions that are different to those made by the verification team. In these instances **NERA** will inform the applicant immediately and depending on the nature of the difference implement the appropriate actions.

## 9. Appeals

Should an organisation wish to appeal a decision by **NERA**, they should immediately contact the CEO to lodge an appeal. **NERA** has an independent appeals procedure that would automatically be invoked under these circumstances. This

procedure can be downloaded from our website (www.nerasa.co.za). An appeal must be lodged with **NERA** within 1 month of the incident.

#### 10. Confidentiality

All information submitted to **NERA** in support of the application form shall be treated in confidence. All evaluators used by **NERA** are required to sign confidentiality agreements and contracts. Any breaches of confidentiality are treated extremely seriously. **NERA** will request written permission from all applicants prior to releasing any information to a third party. **NERA** may be required to release confidential information in compliance with the law or in response to the regulators.

In addition to the above each **NERA** evaluator is required to sign confidentiality form specific for each verification. These are maintained on file in the company's file.

#### 11. Time scale for verification Process

**NERA** makes every effort to ensure that all applications are processed as efficiently as possible. The time taken to process an application depends on a number of factors, some of which are outside the control of **NERA**. The timing is dependent on:

11.1 The quality of the applicant's documentation and the extent to which it complies with **NERA's** requirements.

11.2 The availability of the resources within **NERA**.

Generally verification takes between 1-2 months from receipt of the application form to the on site verification. See Appendix 1 for an indication of the specific time expectations for each stage of the application process.

#### 12 NERA Verification Logo

No Organisation is permitted to use the **NERA** verification logo until they have received permission to do so in writing from **NERA**. Organisations that receive written confirmation that they have been verified can use the **NERA** verification logo. A verified organisation should consult **NERA** document number **R 02-01** entitled **Conditions for use of NERA Verified Logo**, prior to preparing any organisational material which makes any reference to the verification or the logo.

Applicant enquiry	One (1) day
NERA sends verification guide to applicant OR alternatively download from <a href="http://www.nerasa.co.za">www.nerasa.co.za</a>	
NERA receives the application form, signed standard terms and conditions and the fees for the BEE verification.	One (1) weeks
Administrator will send the applicant an acknowledgement of receipt together with the verification manual.	One (1) day
NERA receive the completed verification manual. The Operations Manager performs a review and accepts or rejects the application	One (1) month
Start of initial verification – NERA sends applicant a verification plan including verification dates and times.	One (1) day
Applicant accepts verification plan.	One (1) day
NERA performs BEE verification at applicants' site/office.	One (1) day
Approval committee approves applicant's verification status	One (1) week
NERA issues verification certificate and scorecard	
NERA conducts follow up evaluation/annual evaluation	With in Twelve (12) Months