

**ACT 581**  
**GHANA EDUCATION TRUST FUND ACT, 2000**

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**ACT 581**  
**GHANA EDUCATION TRUST FUND ACT, 2000(1)**

**AN ACT to establish a fund to assist nation-wide with financing of education; to provide for the management of the fund and to provide for related matters.**

*Establishment of the Ghana Education Trust Fund*

**1. Establishment of the Fund**

- (1) There is established by this Act the Ghana Education Trust Fund.
- (2) The Fund is a body corporate with perpetual succession and a common seal and may sue and be sued in its corporate name.<sup>2(2)</sup>
- (3) The Fund may enter into a contract, acquire, purchase and hold movable or immovable property, and convey, assign or transfer a movable or immovable property or equivalent in a property vested in the Fund.

**2. Object of the Fund**

- (1) The object of the Fund is to provide finance to supplement the provision of education at all levels by the Government.
- (2) For the purposes of attaining this object, the moneys in the Fund are to be used
  - (a) to provide financial support to the agencies and institutions under the Ministry of Education, through the Ministry, for the development and maintenance of essential academic facilities and infrastructure in public educational institutions particularly, in tertiary institutions;
  - (b) to provide supplementary funding to the Scholarship Secretariat for the grant of scholarships to gifted but needy students for studies in second-cycle and accredited tertiary institutions in the country;
  - (c) to contribute moneys towards the operation of student loan schemes for students in accredited tertiary institutions through loan scheme mechanisms and agencies, approved by the Minister;
  - (d) to provide, through the National Council on Tertiary Education, grants to tertiary institutions,
    - (i) to train brilliant students as members of faculties,
    - (ii) to undertake research and any other academic programmes of relevance to national development; and
  - (e) to provide moneys to support any other educational activities and programmes for the promotion of education determined by the Minister in consultation with the Board.

**3. Sources of money for the Fund**

The sources of moneys for the Fund are,

- (a) an amount of money, equivalent to two and one half percent out of the prevailing rate of the value added tax to be paid by the Value Added Tax Service to the Fund or a percentage not

being less than two and one half percent of the value added tax rate, determined by Parliament;

- (b) any other moneys allocated by Parliament for the Fund;
- (c) moneys that accrues to the Fund from investments made by the board of trustees of the Fund;
- (d) grants, donations, gifts and any other voluntary contributions to the Fund; and
- (e) any other moneys or property that become lawfully payable and vested in the Board for the Fund.

#### **4. Bank account for the Fund**

(1) Moneys of the Fund shall vest in the Board and shall be paid into bank accounts that shall be opened by the Board with the approval of the Accountant-General.

(2) The Value Added Tax Service shall within thirty days of receipt of value added tax revenue, pay directly into the bank accounts opened under subsection (1) the pro-portion of the value added tax revenue that is required to be paid into the Fund under section 3 (a).

#### **5. Headquarters of the Fund**

The headquarters of the Fund shall be in Accra.

#### *Board of Trustees and Management of the Fund*

#### **6. Appointment of board of trustees of the Fund**

(1) The governing body of the Fund is a board of trustees comprising

- (a) the chairman,
- (b) one representative of the Ministry of Finance not below the rank of a Director,
- (c) one representative of religious bodies,
- (d) the executive secretary of the Revenue Agencies (Governing) Board,
- (e) the Administrator of the Fund,
- (f) one representative of the Ministry of Education not below the rank of a Director,
- (g) one representative of the National Council on Tertiary Education,
- (h) three representatives of the established financial institutions one of whom is a woman,
- (i) one representative of the Universities and Polytechnics in rotation,
- (j) one representative of the Ghana National Association of Teachers,
- (k) one representative of the National Union of Ghana Students and Ghana National Union of Polytechnic Students in rotation,
- (l) one representative of the Association of Ghana Industries,
- (m) one other person who is a woman nominated by the National Council on Women and Development,
- (n) one representative of the Ghana Employers Association, and

(o) one representative of the Ghana Education Service Council.

(2) The members of the Board of Trustees shall be appointed by the President in accordance with article 70 of the Constitution.

(3) The President shall, in appointing the chairman and the other members of the Board under subsection (1) consider the integrity, knowledge, expertise and experience of the persons and in particular their knowledge in matters relevant to the functions of the Board.

(4) *Transferred.3(3)*

(5) *Transferred.4(4)*

## **7. Functions of the Board and policy directives**

(1) The Board is responsible for the management of the Fund and for that purpose may

- (a) pursue policies to achieve the object of the Fund;
- (b) collect or arrange to be collected moneys lawfully due to the Fund;
- (c) account for the moneys in the Fund;
- (d) contribute in accordance with section 2 (2) (c), moneys from the Fund towards the operation of student loan schemes for students in tertiary institutions;
- (e) invest some moneys of the Fund in safe securities that considers financially beneficial to the Fund;
- (f) approve and pay expenditure charged on the Fund under this Act and any other enactment;
- (g) organise fund-raising activities to raise money for the Fund;
- (h) impose the charges that it considers necessary for services rendered by the secretariat of the Fund;
- (i) subject to this Act, exercise and have in respect of the Fund the functions, obligations and liabilities of trustees; and
- (j) perform any other function conferred on it under this Act or incidental to the achievement of the object of the Fund.

(2) The Minister may give general directives in writing to the Board on matters of policy and the Board shall comply with the directives.

## **8. Accounts and proportions of money for levels of education**

(1) There shall be established by the Board within the Fund accounts in respect of

- (a) tertiary education,
- (b) second-cycle education,
- (c) basic education,
- (d) investment, and
- (e) any other related aspects of education like distance education, school and public libraries and special education.

(2) The Board shall submit annually to Parliament for approval a formula for the distribution of moneys to the various accounts under subsection (1).

(3) The Board, in preparing the formula for Parliament shall take into consideration

- (a) the promotion of the study of mathematics, science and technology,
- (b) the advancement of female education,
- (c) the reduction in the high level of illiteracy in historically disadvantaged areas, and
- (d) the promotion of computer, vocational and technical education and training.

(4) Funds allocated under the formula in respect of pre-tertiary education shall be equitably distributed to the districts.

### **9. Fund-raising activities of the Board**

(1) Without prejudice to section 11, there is established by this Act a National Education Fund-raising Committee of the Board.

(2) The National Education Fund-raising Committee shall comprise at least five members of the Board and any other persons the Board shall, in consultation with the Minister determine, except that there shall be on the Committee at least one representative from each Region.

(3) The National Education Fund-raising Committee shall be assigned the functions determined by the Board.

### **10. Meetings of the Board**

(1) The Board shall meet at least once every three months for the despatch of business at a time and place determined by the Board.

(2) The chairman shall, on the request of not less than five members of the Board, convene a special meeting of the Board.

(3) The quorum at a meeting of the Board is ten members including the Administrator.

(4) The chairman shall preside at the meetings of the Board and in the absence of the chairman, a member of the Board elected by the members present from among their number shall preside.

(5) Questions before the Board shall be decided by a majority of the members present and voting.

(6) The person presiding at a meeting of the Board shall in the event of equality of votes have a casting vote.

(7) The Board may co-opt a person to act as an adviser at its meetings but a co-opted person shall not vote at the meeting.

(8) The validity of the proceedings of the Board shall not be affected by a vacancy among its members or by a defect in the appointment or qualification of a member.

(9) Except as otherwise provided under this section, the Board shall determine and regulate the procedure for its meetings.

### **11. Committees of the Board**

The Board may for purposes of achieving the object of the Fund, appoint committees of the Board

comprising members of the Board or non-members or both and may assign to a committee any of its functions as determined by the Board except that a committee composed entirely of non-members may only advise the Board.

## **12. Disclosure of interest**

(1) A member of the Board who has an interest directly or indirectly in a matter being considered or dealt with by the Board shall disclose the nature of that interest at a meeting of the Board and shall not, without the consent of the Board, take part in a deliberation or decision of the Board with respect to that matter.

(2) A member who fails to disclose an interest under subsection (1) and participates in the proceedings of the Board without the consent of the Board, ceases to be a member of the Board.

## **13. Allowances for members of the Board**

The chairman and the other members of the Board shall be paid from the Fund the allowances determined by the Minister in consultation with the Minister responsible for Finance.

## **14. Tenure of members of the Board**

(1) The chairman or any other member of the Board, other than the executive secretary of the Revenue Agencies (Governing) Board and the Administrator of the Fund, shall hold office for a period not exceeding four years and is eligible for re-appointment except that a member shall not serve for more than two consecutive terms.

(2) A member of the Board, other than the Administrator and the executive secretary of the Revenue Agencies (Governing) Board, may at any time by letter addressed to the President through the Minister, resign from office.

(3) A member who is absent from four consecutive meetings of the Board without sufficient cause ceases to be a member of the Board.

(4) The chairman or any other member of the Board may be removed from office by the President for inability to perform the functions of his office, for stated misbehaviour or for any other just cause.

(5) The chairman of the Board shall notify the Minister of vacancies that occur in the membership of the Board within one month of the occurrence of the vacancy.

(6) Where a person is appointed to fill a vacancy, that person shall hold office for the remainder of the term of the previous member and shall, subject to the provisions of this Act, be eligible for reappointment.

### *Administrative, Financial and Miscellaneous Provisions*

## **15. Administrator, Deputy Administrator and their functions**

(1) The President shall appoint, in accordance with article 195 of the Constitution, an Administrator and a Deputy Administrator of the Fund.

(2) The Administrator and Deputy Administrator shall hold office on the terms and conditions specified in their letters of appointment.

(3) The Administrator is the secretary to the Board and is the head of the secretariat of the Fund.

(4) Subject to the directives of the Board, the Administrator is responsible for the day to day

management of the Fund and shall ensure the implementation of the decisions of the Board.

(5) The Administrator may, subject to the conditions determined by the Administrator delegate any of the functions of office to an officer of the secretariat of the Fund, but the Administrator is not relieved from ultimate responsibility for the performance of the delegated functions.

(6) The Deputy Administrator shall in the absence of the Administrator perform the functions of the Administrator.

## **16. Internal auditor**

(1) An internal auditor for the Fund appointed in accordance with article 195 of the Constitution is responsible to the Administrator in the performance of the functions of the office.

(2) The internal auditor shall at the end of every three months submit a report of the audit of the Fund carried out by the internal auditor in respect of that period to the chairman of the Board.

(3) The chairman of the Board shall submit a copy of the report to the Minister and the Minister responsible for Finance.

(4) This section shall be read and construed as one with the Internal Audit Agency Act, 2003 (Act 658) and where there is a conflict that Act shall prevail.

## **17. Other staff**

(1) The President acting in accordance with article 195 of the Constitution, shall appoint the internal auditor and any other employees necessary for the effective performance of the functions of the Board.

(2) The President may delegate the power of appointment of public officers under this Act in accordance with article 195 (2) of the Constitution.

(3) Other public officers may be transferred or seconded to the secretariat of the Fund.

(4) The Board may, on the recommendations of the Administrator, engage the services of experts and consultants as determined by the Board.

## **18. Expenses of the Fund**

(1) The salaries of employees of the Fund shall be the same as those applicable to employees of equivalent status in the Public Services and shall be paid out of the moneys allocated by Parliament from the Fund.

(2) The administrative expenses of the Fund shall be paid out of the Fund subject to the approval of the Minister acting in consultation with the Minister responsible for Finance.

## **19. Tax exemption**

The Fund is exempt from the payment of tax.

## **20. Accounts and audit**

(1) The Board shall keep in respect of the Fund books of accounts and proper records in relation to them in the form approved by the Auditor-General.

(2) The books of account shall be audited by the Auditor-General within three months after the end of each financial year.

(3) In addition to the annual audit, technical audits shall be conducted on selective basis by the Auditor-General.

## **21. Financial control**

(1) The Board shall in writing, provide arrangement for the distribution of moneys from the Fund.

(2) Cheques and any other promissory notes may only be issued on the direction of the Board and shall be signed by the Administrator and two other members of the Board unless the Board determines that sums not exceeding specified amounts may be signed by the Administrator only.

## **22. Annual report**

(1) The Board shall submit to the Minister as soon as practicable but not more than six months after the end of each financial year a report dealing generally with the activities and operation of the Fund during the year to which the report relates.

(2) The report shall include

(a) the audited accounts of the Fund and the Auditor-General's report on the accounts of the Fund, and

(b) any other information the Board considers necessary.

(3) The Minister shall within two months after the receipt of the annual report submit the report to Parliament with a statement that the Minister considers necessary.

## **23. Financial year**

The financial year of the Fund shall be the same as the financial year of the Government.

## **24. Regulations**

The Minister, on the advice of the Board, may, by legislative instrument make Regulations to prescribe, generally, for the effective implementation of this Act.

## **25. Interpretation**

In this Act, unless the context otherwise requires,

“**accredited tertiary institution**” means a tertiary institution accredited by the National Accreditation Board;

“**Auditor-General**” includes an auditor appointed by the Auditor-General;

“**basic school**” means a public nursery, primary and junior secondary;

“**Board**” means the board of trustees established for the Fund under section 6;

“**education**” means education in an approved basic school, second-cycle school and an accredited tertiary institution;

“**functions**” include powers and duties;

“**Fund**” means the Ghana Education Trust Fund established under section 1;

“**Minister**” means the Minister responsible for Education;



**“Region”** means a region of Ghana;

**“research grant”** means an outright financial grant awarded to a citizen to undertake a specific academic research;

**“rotation”** means serving terms for a period of four years each;

**“second-cycle”** means public senior secondary school and technical and vocational school;

**“student”** means a citizen in an institution of education;

**“student loan scheme”** means a scheme operated nation-wide for the grant of loans to students in accredited tertiary institutions;

**“tertiary institution”** includes an accredited tertiary institution, namely,

- (a) a university or a university college,
- (b) a polytechnic,
- (c) a diploma awarding teacher training college, and
- (d) a post senior secondary school institution;

**“trustees”** means members of the board of trustees.

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## Endnotes

### 1 (Popup - Footnote)

1. The Act was assented to on 25th August, 2000 and notified in the *Gazette* on 1st September, 2000.

### 2 (Popup - Footnote)

2. [Subsections \(2\) and \(3\)](#) have been transferred from [subsections \(4\) and \(5\)](#) of [section 6](#). If the Fund is created as a body corporate then it must have a governing body, which is the board of trustees.

### 3 (Popup - Footnote)

3. To [section 1](#) as [subsection \(2\)](#).

### 4 (Popup - Footnote)

4. To [section 1](#) as [subsection \(3\)](#).