

## Scorecard assessment

1.	Tertiary qualification .....	= 4
	Matric .....	= 3
	Grade 10 .....	= 2
	Grade 7 .....	= 1
	No education/ABET .....	= 0
2.	Employed .....	= 4
	Unemployed .....	= 2
	Unemployable .....	= 0
3.	>R20 001 .....	= 5
	R10 001 - R20 000 .....	= 4
	R5 001 - R10 000 .....	= 3
	R1 001 - R5 000 .....	= 2
	R50 - R1 000 .....	= 1
	<R50 .....	= 0
4.	Professional .....	= 4
	Management .....	= 3
	Administration/artisan .....	= 2
	Semiskilled .....	= 1
	Unskilled .....	= 0
5.	>R20 001 .....	= 5
	R10 001 - R20 000 .....	= 4
	R5 001 - R10 000 .....	= 3
	R1 001 - R5 000 .....	= 2
	R50 - R1 000 .....	= 1
	<R50 .....	= 0
6.	Expenses less than income .....	= 3
	Expenses more than 10% > income .....	= 0
7.	No rating	
8.	Savings for retirement .....	= 4
	Some savings .....	= 2
	No savings .....	= 0
9/10.	No rating	
11.	Bank account .....	= 2
	No account .....	= 0
12.	>5yrs .....	= 3
	<5yrs .....	= 2
	New .....	= 1
13.	No judgement/insolvency/sequestration .....	= 2
	Any of these .....	= 0
14/15.	No rating	
16.	Owner .....	= 2
	Rent .....	= 1
	Boarding .....	= 0
17.	No bond .....	= 2
	Outstanding bond .....	= 1
18.	No rating	

## Rating of scorecard

### Introduction

The assessment is used as a guide to determine the circumstances of the dependants and nominees, and what their critical needs are. The trustees must apply their discretion at all times. Ratings are applied to the guardian's answers in order to maximise the efficiency of the assessment. Note too that the information for unrated factors is vitally important when deciding whether or not to place assets in trust as well as determining the monthly income.

### Maximum achievable score 40

### Minimum score 1

- **Upper competency level:** If a guardian's score is more than **70%** (more than 28), trustees should carefully consider whether the guardian can manage the capital or not. This will depend on the number of minors and the size of the capital, as well as the income needs of beneficiaries in relation to the available capital.
- **Medium competency level:** If the guardian's score is between **69 and 30%** (between 12-27), trustees should take the additional information for unrated factors into account, as well as the interview or investigation data, gathered before a decision is taken. In all instances for this category it is advisable to discuss the matter with the guardian to obtain his/her views.
- **Low competency level:** If the guardian's score is less than **30%** (less than 12), trustees should strongly consider placing the benefits in trust for the minors to ensure that they benefit maximally from their assets. They could consider an instalment product if the capital is fairly small relative to the ages of the beneficiaries. They should also assess the costs of the particular trust product versus the interest it can earn before placing benefits in trust.

### Doing the assessment

Fairheads can conduct this exercise with the guardian either face to face or telephonically if the guardian lives in a remote area. The interview is conducted in the guardian's preferred language.

A consultant from Fairheads is also available to train anybody who wishes to use this tool to assess the guardian's financial skills ability.

Should you have any queries, do not hesitate to contact our office at 011 883 9755.



## Guardian financial skills assessment guide



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## QUESTIONNAIRE

### Financial needs analysis

#### SECTION 1: PERSONAL INFORMATION

Fund name: .....  
 Guardian's name: .....  
 Relationship to the deceased: .....  
 Deceased's name: .....  
 Amount of lump sum to minor/s in custody of guardian: .....

Full names of each minor beneficiary:

- a) .....  
 b) .....  
 c) .....  
 1. What is your highest grade / qualification achieved?.....

#### SECTION 2: EMPLOYMENT DETAILS

2. Are you employed monthly / weekly / self-employed / unemployed? .....
3. Select the appropriate level of net earnings per week / per month:  
 R50 - R1 000 ..... R10 001 - R20 000 .....  
 R1 001 - R5 000 ..... >R20 0001 .....
4. What is your occupation and how long have you been employed? .....
5. If unemployed, were you supported by the deceased?.....  
 If yes, please state the Rand amount / the type of support: .....

#### SECTION 3: EXPENDITURE DETAILS

6. What are your total monthly expenses? Please complete the attached budget (annexure A) .....
7. What are the monthly expenses of the beneficiaries? Please complete the attached budget (annexure B).....
8. Do you own any investments e.g. retirement annuities, unit trusts or shares? Yes ..... No .....  
 If yes, please state the type of investment:.....
9. If you submit a tax return, please attach a copy of the latest assessment.
10. Do you have a financial advisor?.....

#### SECTION 3: EXPENDITURE DETAILS (Continued)

11. Do you have a bank account? Yes ..... No .....
12. If yes, how long have you had the account? .....
13. Have you ever had a judgement against you for non-payment of debt? If yes, please provide details.....
14. Have you ever been declared insolvent or sequestrated? Yes ..... No ..... If yes, provide details. ....
15. Do you have any dependants other than the beneficiaries considered in this distribution?.....
16. Do you own or rent your residence?.....
17. If you own your residence, what is the current value of it and the amount you owe on the bond?.....
18. What other debt do you have at present (e.g. amounts owed on car, shop accounts, furniture, personal loans, or credit card)? .....

I confirm that the reasons for the completion of this questionnaire have been fully explained to me. I confirm that I have understood the above questions. I state that the answers provided by me are true and correct.

Date: ..... Place: .....

Name:.....

Signature:.....

### Guardian's personal expenditure (estimated)

Expenses	Weekly (Rand amount)	Monthly (Rand amount)
Groceries		
Telephone / cellphone		
Electricity		
Clothing		
Toiletries / pharmacist		
Medical / medical aid		
Household maintenance		
Gardening		
Bond / rent		
Car repairs & maintenance		
Transport		
Education		
Life insurance		
Newspapers / magazines		
Entertainment		
Sport		
Holidays		
Alcohol / tobacco		
Hire purchase		
Loan / leases		
Short term insurance		
Other		
<b>TOTAL</b>		

Annexure A

### Beneficiaries' personal expenditure (estimated)

Expenses	Weekly (Rand amount)	Monthly (Rand amount)
Groceries		
Telephone / cellphone		
Electricity		
Clothing		
Medical / medical aid		
Transport		
Education		
Life insurance		
Entertainment		
Sport		
Holidays		
Other		
<b>TOTAL</b>		

Annexure B