CONSTITUTION OF THE CENTRE FOR HOUSEHOLD FINANCE (CHF)

The establishment of the Centre was formally recommended by the Academic Planning Committee of Stellenbosch University on 22 April 2025. This version of its constitution was accepted by the University Senate (formally recorded as 'noted') on 30 May 2025. This document is the version of record; it removes the word "draft" from the title, and adds this note on versioning: July 19, 2026.

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1 GENERAL

1.1 Name

The Centre will be known as the *Centre for Household Finance*. In Afrikaans, the centre will be known as *(die) Sentrum vir Huishoudingsfinansies*.

1.2 Status

The Centre for Household Finance will be a Type-1 Centre, located within the Department of Economics.

1.3 The Need for a Separate Identity

Creating a separate identity for those scholars working on household finance can clarify to external audiences exactly who they will be interacting with, what their track record is, and what their interests are.

There are three such external audiences for whom this is important:

1. **Funders or data providers**: They may wish to support more narrowly defined research projects in household finance, as opposed to the field of economics as a whole. Having a separate Centre to organise and administer such projects may be useful in assuring them that their funds (or data) will not be shared more widely than they wish.
2. **Prospective students, postdocs, or collaborators**: These audiences will likely be unfamiliar with the research interests and record of individual researchers. A separate identity for the Centre can help avoid confusion and direct their attention more accurately.

3. **Nonacademics**: This includes industry professionals, policymakers, and the general public. A distinct identity for the Centre ensures that its work is clearly attributed and understood.

The operational benefits of a separate unit within the Department of Economics are also important. A separate and dedicated pool of funds, along with the regular meeting of scholars with closely aligned interests, would allow for more efficient work in several ways. For example, the support (both financial and intellectual) of postgraduate students, the organisation of conferences or workshops, and the joint application for research funding are all more easily accomplished within a dedicated formal structure.

1.4 Vision and Mission of the Centre

Household finance is the study of how — and how successfully — households use various financial instruments to achieve their goals. These may include managing uncertain income streams to minimise consumption risk, purchasing large durables (e.g., housing), or other goals such as wealth accumulation.

The Centre aspires to advance knowledge of consumer financial markets in developing countries, and to inform economic policy in South Africa so as to make such markets work more efficiently and equitably. Thus, the Centre's mission is to produce original and high-quality research in household finance that is relevant to multiple audiences:

(a) academics both within and beyond South Africa;
(b) local policymakers; and
(c) the local financial services industry.

1.5 Viability and Sustainability of the Centre

Because of its clear connections to both public policy and market conditions in the financial services industry, the prospects for fundraising in this area are good. Further funds might be raised from several potential sources in the public sector (e.g., National Treasury, the South African Reserve Bank) and the private sector (specifically, the financial services industry).

Beyond South Africa's borders, some developed-country governments support research in economics broadly related to growth and development, as do certain large nonprofit foundations. Additionally, the Department of Economics itself may wish to employ some of the members of the Centre, at least on a part-time basis, to contribute to the Department's teaching, research, and administrative operations.

1.6 Primary Activities and Objectives of the Centre

1. **Produce rigorous academic research in household finance**, through:

   1.1. The appointment of researchers and postdoctoral fellows, with due consideration of diversity of gender, race, and nationality.

   1.2. Successfully applying for grants to fund research activities.

   1.3. Developing partnerships with public and private sector organisations for data-sharing and funding.

   1.4. Encouraging collaboration between the Centre and external scholars through the appointment of extraordinary professors and research fellows.

2. **Help to train future economists with an interest in household finance**, subject to funding and scheduling constraints within the Department of Economics, by:

   2.1. Participating in teaching dedicated courses in household finance, offered by the Department of Economics, with relevant prescribed material.

   2.2. Supervising postgraduate students, either in the Department of Economics or cognate disciplines.

   2.3. Hosting workshops and conferences to nurture young scholars and build stronger national and international networks.

3. **Promote and disseminate research** relevant to household finance in South Africa and developing countries more generally, by:

   3.1. Participating in and contributing to relevant national and international debates.

   3.2. Encouraging interdisciplinary collaboration within and across the Faculties of the University.

   3.3. Maintaining communication with the public via a dedicated website and other public-facing outreach (e.g., circulating reports or briefs, media interviews, etc.).

These three objectives are linked to the core activities of Stellenbosch University: in particular, they are linked to research and postgraduate training. They also give, within a specific subfield of economics, expression to the third strategic theme of Stellenbosch University's Vision 2040, "Research for Impact".

1.7 Reporting Line of the Centre

The Centre will report to the Department of Economics, in an immediate capacity, and to the Faculty Board of the Faculty of Economic and Management Sciences on an annual basis.

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2 MANAGEMENT

The Centre will be governed by a **Governing Board**, and day-to-day operations will be managed by the **Director** of the Centre; the Centre will not have a management committee. All decisions, functions, and authorities referred to in this section are subject to the relevant existing policies and rules of SU.

2.1 The Governing Board

2.1.1 Objective

The Governing Board is responsible for providing strategic direction and oversight for the Centre.

2.1.2 Composition

The Governing Board will be composed of the following members:

1. Dean or Vice-Dean: Research of the Faculty of Economic and Management Sciences
2. The Chair of the Department of Economics
3. The Director of the Centre
4. A Professor or Associate Professor within Stellenbosch University unaffiliated to the Department of Economics, appointed by the Director in consultation with the Chair of the Department of Economics
5. A Professor or Associate Professor of Economics, Finance, Demography, Actuarial Science, Statistics, or Law unaffiliated to Stellenbosch University, appointed by the Director in consultation with the Chair of the Department of Economics

6. A member appointed from the Centre's community stakeholders, including financial services firms, relevant public-sector agencies, or members of academic societies, appointed by the Director in consultation with the Chair of the Department of Economics

7. A member appointed from one of the Centre's donors or research collaborators, appointed by the Director in consultation with the Chair of the Department of Economics

Members of the Governing Board shall be appointed for five years and are eligible for reappointment. Governing Board members will not be remunerated for serving on the Board.

2.1.3 Responsibilities

The Governing Board is responsible for:

1. Electing a Chairperson and Deputy Chairperson from its ranks.
2. Determining any strategic plans, broader policy, objectives, and activities of the Centre.
3. Approving the short-term operational plans of the Centre.
4. Approving reports to the Department of Economics, funders, and donors.
5. Making recommendations to the Department of Economics and the Faculty of Economic and Management Sciences.
6. Evaluating the financial situation and risks attached to active projects, approving annual budgets and progress reports, and making recommendations concerning progress.
7. Ensuring the alignment of SU values and policies with the activities of the Centre.
8. Promoting the activities of the Centre.

2.1.4 Mechanics

1. The Governing Board will meet at least once annually, with at least one month's notice.
2. The Annual Report, once supported by the Governing Board, will be submitted for approval to the Faculty Board of the Faculty of Economic and Management Sciences. The Director is responsible for preparing the Annual Report for consideration by the Governing Board.
3. Additional or extraordinary meetings may be held at the request of the Chairperson to fulfil its functions effectively.
4. The Chairperson must convene the meetings, and is responsible for compiling the minutes of meetings and submitting them to the Faculty Board of the Faculty of Economic and Management Sciences. In the absence of the Chairperson, the Deputy Chairperson will perform these duties.
5. A quorum for meetings will be 50% plus one of the members, provided the Director/Acting Director of the Centre is present.
6. Decisions will be taken by a simple majority vote, except for amendments to the constitution, which require a two-thirds majority.

7. In the event that a vote is tied, the Chairperson may cast a deciding vote (in addition to their regular vote).

2.2 The Director of the Centre

2.2.1 Responsibilities

The Director of the Centre is appointed by the Chair of the Department of Economics for a term of five years (renewable). The Director will be a full-time academic staff member of the Department of Economics.

1. Leading and implementing the vision, mission, and objectives of the Centre, and safeguarding its reputation.
2. Managing the Centre, including its budget, personnel, office space, and equipment.
3. Promoting research by members of the Centre, applying for research grants, and soliciting sponsors and donations.
4. Attracting students to the Centre and supporting their success.
5. Reporting to the Governing Board in an annual report.

2.2.2 Acting Director

In the absence of a Director, the Chair of the Department of Economics may appoint an Acting Director until the next meeting of the Governing Board.

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3 APPOINTMENTS AND RENUMERATION

The human resources and remuneration policies of Stellenbosch University will apply to all appointments to the Centre.

3.1 Appointments

The following appointments will be made by Stellenbosch University (SU) on the recommendation of the Director:

1. Faculty of the Department of Economics (full-time) with an interest in household finance.
2. Researchers (full-time or part-time) to be appointed by the Department of Economics.
3. Postdoctoral research fellows.

4. Postgraduate students.
5. Extraordinary professors and research fellows.
6. Technical and administrative staff.

Full-time academic staff members at SU, not limited to those in the Department of Economics, may also be appointed as "affiliated faculty" when they engage in long-term collaborations with the Centre. However, such affiliations need not carry any financial or human resources implications for the Centre.

3.2 Conditions of Employment

1. Conditions of employment will be determined by existing SU policies.
2. All appointments which entail salary payments from the Centre's funds will be on the payroll of the University and can be of a permanent or fixed term contract nature.
3. Special services from persons or organisations external to Stellenbosch University will be dealt with on an ad hoc basis.

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4 FINANCES

1. The primary source of funding for the Centre will be donations, research grants, and contracts.
2. The Director is responsible for the daily management of funds and may designate a member of the Centre to fulfil specific financial responsibilities.
3. The Director and, thereafter, the Chair of the Department of Economics is responsible for approving any expenses, in line with SU policy.
4. Travel and subsistence allowances for members of the Centre (as described in section 3.1 above) must be approved by the Director of the Centre and paid in accordance with existing SU policies. Travel and subsistence allowances for the Director of the Centre must be approved by the Chair of the Department of Economics.
5. The Centre's financial year coincides with that of the University.
6. The budget of the Centre will be submitted annually to the Governing Board for approval.
7. SU's Finance Division will provide procedural support for the preparation of financial statements before submission to the Governing Board.
8. The annual report is submitted to the Faculty Board of the Faculty of Economic and Management Sciences for approval, and then to the Finance Division of Stellenbosch University for noting.

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5 QUALITY ASSURANCE

The Centre will align with the quality assurance schedule and be included in the quality assurance process of the Department of Economics, in accordance with the *Policy for Quality Assurance and Enhancement* at Stellenbosch University.

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6 RESEARCH, PUBLICATIONS, AND INTELLECTUAL PROPERTY

1. In accordance with Stellenbosch University's *Policy on Protection and Commercialisation of Intellectual Property*, all intellectual property created by the Centre's activities will be owned by Stellenbosch University.
2. The Centre reserves the right to recognition in any publication where the research work and/or publication is done with the support of the Centre.
3. With the approval of the University, and subject to the aforementioned Policy, the results of any research undertaken within the scope of the Centre may be published under the name(s) of the author(s) and/or the name of the Centre.

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7 LEGAL COMPETENCE

1. In terms of Section 20(4) of the Higher Education Act 101 of 1997, Stellenbosch University is a statutory body and the juristic person with separate legal personality. No centre, institute or school can act in its own right as a juristic person: Stellenbosch University is the juristic person.
2. Signing powers and accountabilities are determined by the current rules of Stellenbosch University.

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8 AMENDMENT OF CONSTITUTION

This constitution may be amended on the recommendation of a two-thirds majority of the Governing Board, subject to approval by the following (in this order):

(a) the Faculty Committee of the Faculty of Economic and Management Sciences
(b) the Academic Planning Committee (only for comments on academic and technical aspects)
(c) the Faculty Board of the Faculty of Economic and Management Sciences, for recommendation to Senate
(d) Senate for approval.

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9 CONFLICT MANAGEMENT

Conflict that cannot be resolved by the Governing Board will be escalated to the Dean of the Faculty of Economic and Management Sciences.

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10 DISSOLUTION OF ENTITY

Should the need to dissolve the Centre arise, the following process will be followed:

1. A statement motivating for the dissolution of the Centre must be submitted to the Academic Planning Committee for consideration, including a signed statement by the Finance Division on how the financial balances will be dealt with.
2. The remainder of the functions of the Centre will be transferred to the Department of Economics, if applicable.
3. The recommendation regarding the final dissolution will be executed in this order:
   (a) the Faculty Committee of the Faculty of Economic and Management Sciences
   (b) the Academic Planning Committee (only for comments on academic and technical aspects)
   (c) the Faculty Board of the Faculty of Economic and Management Sciences, for recommendation to Senate
   (d) Senate for approval.

This version: July 19, 2026