



**SOCIAL WELFARE SERVICES
LUMP SUM GRANT
MANUAL**

Edition 2

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**Social Welfare Department
The Government of the Hong Kong Special Administrative Region**

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PREAMBLE

1. The existing social welfare subvention system has been criticised as inflexible, complex and bureaucratic. It is no longer meeting in full the needs of present day social welfare development which should place emphasis on effective use of public resources, innovation, responsiveness and performance management to meet changing community needs in a timely manner. With a view to improving the social welfare subvention system, the Social Welfare Department (SWD) is committed to introducing a package of measures to both the funding and monitoring of services provided by the subvented sector to meet service objectives.

2. The improved service monitoring system is characterised by an enhanced Service Performance Monitoring System (SPMS) with its vital components of Funding and Service Agreements (FSAs) and Service Quality Standards (SQS). The SPMS has been introduced progressively since 1999-2000 with the joint efforts of SWD and subvented Non-governmental Organisations (NGOs) and is applied across the board to service units operated by both SWD and NGOs. Under the SPMS, performance of service units receiving Government subvention is assessed based on the FSAs drawn up for each of the subvented services and evaluated against a set of well-defined SQSs. A detailed description of the SPMS is in **Appendix 1**.

3. The improved funding system takes the form of a Lump Sum Grant (LSG) to replace mainly the current Model System and Modified Standard Cost System. Under LSG, SWD will no longer impose input controls with regard to staffing structures, levels of pay and individual items of expenditure. NGOs will be given flexibility in the deployment of funds to meet the service needs. Under LSG, while the funding level is assessed on the basis of service units and the various components in delivering a service, namely Salaries and Allowances, Provident Fund (PF) contributions, Other Charges, etc., the end-product subvention based on these calculations will be disbursed in the form of an agency-based lump sum grant. With the exception of a few designated expenditure items, NGOs may freely deploy the funds as long as the required

objectives, outputs, results and standards are met. In response to staff's concern, funding in respect of PF contributions is now regarded as designated expenditure.

4. Taking account of the need to standardise funding level for the same type of service units (the Benchmark approach) on the one hand and the fact that NGOs have over the years built up their individual cost profiles which essentially reflect the experience of their staff (contractual commitments to existing staff), SWD has devised various measures to help meet the funding needs of NGOs during a transitional period. These include providing NGOs with their actual level of funding or the Benchmark funding, whichever is the higher, upon switching to LSG, funding PF requirements for existing staff on an actual basis and making available a Tide-Over Grant (TOG) for a period of five years (2001-02 to 2005-06). Finally, although it remains our policy objective for all NGOs to be funded on a lump sum basis, we do not at this stage require all NGOs to move on to LSG on a compulsory basis within a specified timeframe. A post-implementation monitoring mechanism involving SWD, NGOs and representatives of staff groups will be put in place.

5. The improvements made to service monitoring and funding will lay a solid foundation for the Government to work with service providers to improve the welfare planning framework and process. The objective of the improved planning process is to provide a discipline and a mechanism for structured decision-making on how welfare services can be best engineered to meet the changing needs of the community and on how resources can be used in the most cost-effective manner.

6. Led and steered by the Health and Welfare Bureau (HWB), the Government is putting in place an integrated and forward-looking planning framework comprising long term Strategic Directions, Medium Term Plan for individual programme areas and service development and delivery of Annual Plans by SWD and NGOs. It is envisaged that -

The *Strategic Directions* will provide the Government's blueprint on the long term directions of social welfare services in Hong Kong. It will seek to provide the public with a clear picture of priorities in social welfare services, the corresponding deployment of public funds and the targets that the Government expects to achieve in the longer term. HWB will take the lead in formulating the Strategic Directions, and consulting the public and the welfare sector.

The *Medium Term Plan* will provide a 3-5 year outlook of the service development under each programme area, relating to objectives and key result areas. The Medium Term Plan will provide the planning basis for services provided by both SWD and NGOs as covered by FSAs. The Medium Term Plan will be developed through a planning forum involving NGOs and user groups/representatives. This Plan will need to be reviewed at regular intervals of three to five years to ensure that the service objectives and service scope remain valid, and the level of public resources deployed is appropriate.

The *Annual Plans* will be drawn up by service providers, including both SWD and NGOs, in a holistic manner reflecting the latest policy objectives and priorities. By comparison, the current FSAs are service-specific and static : they are more concerned about service delivery than service development. The Annual Plan is a tool for SWD and NGO management to consider their service provision in its entirety, how they will develop some services, redefine others and phase out those found obsolete, as appropriate.

In line with the partnership approach, HWB and SWD will be working with NGOs in taking forward this initiative to develop a more robust planning mechanism.

CHAPTER 1

INTRODUCTION

1.1 The LSG Manual provides a self-contained and necessary reference for NGOs to operate under the new funding system, with a view to enhancing accountability, efficiency and cost-effectiveness in the use of public funds for the provision of welfare services. This second edition of the LSG Manual is available in paper and electronic form. There will be regular reviews and updates of the LSG Manual. SWD will forward any future amendments/replacements to users. Practice notes and guidance may also be issued by SWD from time to time to supplement the LSG Manual.

PURPOSE

1.2 The purpose of this LSG Manual is to set out : -

- (a) the structure of LSG, the arrangements for TOG and PF provision and other related matters;
- (b) the financial management under LSG;
- (c) the respective roles and responsibilities and accountability of SWD and NGOs for the use of public funds; and
- (d) advice on best management practices and processes.

1.3 Generally speaking, SWD will administer the LSG in accordance with the requirements under (a) to (c) above, unless otherwise stated. **Sub-paragraph (d) above is meant for NGOs' reference, and individual NGOs may wish to adopt these as appropriate to meet the unique situation of their agency.**

FORMAT

1.4 Specifically, the Chapters cover : -

Chapter	Contents
2	<p>Lump Sum Grant</p> <p>The LSG structure, payment, adjustment mechanism and flexibility. It also covers the Tide-over Grant and Provident Fund arrangements, reserves and fees and charges.</p>
3	<p>Financial Management</p> <p>The financial accounting to be put in place by NGOs and the external auditing of NGOs' use of public funds in respect of FSA activities.</p>
4	<p>Public Accountability</p> <p>Roles and responsibilities of SWD and NGOs, issues of public accountability and the authority of the Audit Commission.</p>
5	<p>Best Practices</p> <p>Good management practices and processes in areas of corporate governance, human resource management, management accounting and internal auditing.</p>

1.5 The LSG Manual has drawn upon parts of the existing Guide to Social Welfare Subventions issued in October 1993. **The existing Guide will continue to be used for the reimbursement of Rent and Rates and Aided Day Nurseries, which are not covered under the LSG.**

CHAPTER 2

LUMP SUM GRANT

2.1 This chapter describes the Lump Sum Grant (LSG), Tide-over Grant (TOG) and Provident Fund (PF) arrangements, treatment of income, reserves and fees and charges.

LUMP SUM GRANT

2.2 The following paragraphs explain the structure, payment, adjustment mechanism and flexibility of LSG.

Structure of LSG

2.3 A NGO will receive a LSG in respect of :-

Existing Subvention Financing Modes

- | | | | |
|----------------------|---|-------|-------------------------------|
| |) | (i) | Lump Sum Grant Mode |
| (a) Existing Service |) | (ii) | Unit Rate Subsidy |
| Units |) | (iii) | Model System |
| |) | (iv) | Modified Standard Cost System |

(b) Newly Allocated Service Units

Total LSG for the NGO is equal to (a) + (b). Calculation of the LSG is explained in paragraphs 2.4 to 2.11 below.

Lump Sum Grant Mode

2.4 LSG incorporates the amount of the existing Lump Sum Grant Mode subvention calculated for the year 2000-01.

Unit Rate Subsidy

2.5 LSG incorporates the amount of Unit Rate Subsidy subvention calculated for the year 2000-01 with the exception of the two services listed in **paragraph 2(a) of Appendix 2**. These two services will continue to be subvented under current subvention rules and accounting arrangements as mentioned in the Guide to Social Welfare Subventions issued in October 1993 and in subsequent SWD correspondence.

Model System

2.6 LSG replaces the Model System and consists of the total of Salaries, Salary-related Allowances, Provident Fund, Other Charges and Recognised Fee Income calculated as follows : -

(a) Salaries

- (i) First of all, the **Benchmark** for the LSG of each NGO is determined on the basis of the **mid-point salaries of the pay scales as at 31 March 2000 of its recognised establishment** (i.e. all approved posts including fractional posts) **as at 1 April 2000**;
- (ii) A **Snapshot** of staff strength of each NGO as at 1 April 2000 is taken and its salary subvention for 2000-01 under the current subvention rules is projected;
- (iii) This Snapshot is then compared with the Benchmark;
- (iv) Agencies with Snapshot **above** the Benchmark will receive the Snapshot. There will be no top-up and no claw-back except for adjustment as explained in paragraph 2.13 below. Their Snapshot will be reduced annually **in steps of 2% per annum** starting from 2006-07 to reach the Benchmark; and

(v) For agencies with Snapshot **below** the Benchmark, they will receive the Benchmark **in one step** provided that their service has already been fully commissioned (otherwise in line with the agreed phased commissioning of the facility/service). Likewise, there will be no top-up and no claw-back except for adjustment as explained in paragraph 2.13 below.

(b) Salary-related Allowances

Salary-related allowances include the provision for relief workers, hardship allowance, responsibility allowance, training allowance and cross-charging to the Hospital Authority. The provision for these items are based on the existing formulae or the amount recognised for 1999-2000.

(c) Provident Fund (PF)

Arrangements for Provident Fund (PF) are explained in paragraphs 2.17 to 2.20 below.

(d) Other Charges (OC) and Allowances

(i) The provision for OC is based on the existing recognised level; and

(ii) OC allowances include the provision for overtime allowance for drivers in day care centre for the elderly, special allowance on holiday for home help service, house parent allowance and incentive payment for sheltered workers. The provision for these items is based on the existing formulae.

(e) Recognised Fee Income

Income from fees recognised for the purpose of subvention is deducted from the LSG.

Modified Standard Cost System

2.7 Those units under Modified Standard Cost System **which have been vetted** (including hitherto unvetted units undergoing regularisation) have their LSG calculated in the same way as units under Model System as explained in paragraph 2.6 above.

2.8 Those **unvetted** units under Modified Standard Cost System **which the NGOs choose not to regularise** have their LSG calculated as follows :-

(a) Salaries and Provident Fund

(i) the LSG, comprising salaries and PF, is calculated at 106.8% of the mid-point salary of the recognised establishment; and

(ii) LSG payment will be split into salary and PF in the ratio of 100 : 6.8.

(b) Salary-related Allowances

Same as paragraph 2.6(b) above.

(c) Other Charges (OC) and Allowances

Same as paragraph 2.6(d) above.

(d) Recognised Fee Income

Same as paragraph 2.6(e) above.

Regularisation of Unvetted Units

2.9 NGOs are encouraged to seek regularisation of their unvetted units before switching to LSG. The regularisation process and conditions are as follows :-

- (a) NGOs may apply for regularisation of all their unvetted units at the time they indicate intention to join the LSG.
- (b) Staff included in the 1 April 2000 Snapshot of these units will be vetted.

The following relaxation measures will be adopted in the regularisation process –

- (i) Holding-against arrangement will be allowed where the rank of the incumbent of a post does not match with the recognised establishment. However, the salary allowed for that staff in the LSG salary would be capped by the maximum pay point of the recognised post.
 - (ii) If the result of vetting identifies overpayment before regularisation (normally where the staff employed was not fully meeting the qualifications for that particular post in the recognised establishment), the NGO will **not** be required to repay the “overpayment” on the understanding that the process of regularisation is an integral part of an agency joining LSG and not a routine subvention inspection.
- (c) The LSG salary amount for the concerned units will be adjusted in line with the results of the vetting.
 - (d) All staff of these units in the 1 April 2000 Snapshot (whether they are occupying posts held against the recognised establishment or “extra” posts outside the recognised establishment of the unit) will be regarded as **Existing Staff** (see paragraph 2.17 below) for the TOG and PF arrangements.

Newly Allocated Service Units

2.10 LSG for new service units will be based on the mode of allocation. For those newly allocated service units for which agreement on allocation has been agreed before implementation of LSG but the commissioning of the service has yet to take place, LSG is calculated as follows :-

(a) Salaries and Provident Fund

For all new service units already allocated to NGOs, LSG - salaries and PF are calculated on the basis of the **prevailing mid-point salary** of the recognised establishment plus 6.8% PF.

(b) Salary-related Allowances

Same as paragraph 2.6(b) above.

(c) Other Charges (OC) and Allowances

Same as paragraph 2.6(d) above.

(d) Recognised Fee Income

Same as paragraph 2.6(e) above.

Total LSG

2.11 A NGO will receive **one** LSG for all its existing service units and newly allocated service units. LSG **underspending** will be transferred to the Reserve Fund as explained in paragraph 2.33 below.

Payment of LSG

2.12 LSG will be paid monthly and credited to NGOs around the 15th of each month. The payment advice will explicitly identify the PF from the other part of the LSG paid to the NGO.

Adjustments to LSG

2.13 LSG will not be topped up in the course of the year except for supplementary provision required to effect annual pay adjustments to their staff in subvented units in line with the civil service pay adjustment, where these adjustments have not been factored into the LSG provided. The LSG will be adjusted annually in line with salary and price movements on the following basis :-

Personal Emoluments	Civil Service Salary Adjustment
Other Charges	Government-wide Price Adjustment Factor
Fee Income	As Advised by SWD

Adjustments to LSG may be considered by Government for meeting payments for statutory obligations which are unforeseen and therefore not budgeted for in the LSG.

Flexibility of LSG

2.14 Within the context of FSAs, NGOs have flexibility in deploying their LSG (excluding the PF part) for purposes including, but not limited to, the following -

- (a) staff expenses including salary, allowances and personnel-related expenses (including fringe benefits) for their staff based on their own staffing structure and remuneration provided that the principle of “**no better than**” comparable ranks in the civil service is observed; and
- (b) other operating expenses.

2.15 LSG is provided on a NGO basis. NGOs’ management may redeploy LSG resources across service units as long as these are within the service units governed by FSAs after assessing needs, and vire from one cost item to another cost item, e.g. from other charges to salaries and vice versa. There is no need for NGOs to obtain approval

from SWD as long as the NGO ensures that redeployment, virement and cost items comply with the principles as stated in paragraphs 2.14 above. Governing bodies of NGOs will have to develop their own processes and delegation of authority for the development and virement of funds.

Subvented Items not Included in LSG

- 2.16 LSG will not, at the outset, include the following : -
- (a) Aided Day Nurseries (i.e. Day Nursery, Day Creche and Day Nursery cum Creche) which will continue to be subvented under current subvention rules and accounting arrangements;
 - (b) Rent and Rates which will continue to be paid on an actual basis; and
 - (c) Those items listed in **Appendix 2 paragraphs 1 and 2(a)** which will continue to be subvented under current subvention rules and accounting arrangements.

TIDE-OVER GRANT AND PROVIDENT FUND ARRANGEMENTS

2.17 **Existing staff** are defined as the staff occupying recognised/held against subvented posts as at 1 April 2000 in Model System Units, Vetted Modified Standard Cost System Units, and staff engaged in unvetted units under Modified Standard Cost System as at 1 April 2000 specially recognised as a result of the regularisation.

2.18 The purpose of Tide-over Grant (TOG) and actual Provident Fund (PF) payment is to enable NGOs to honour their contractual commitments in terms of salary increment and PF benefits to their Existing Staff. All staff members included in the 1 April 2000 Snapshot will be given protection in respect of their salary increment and PF benefits. The detailed arrangements are described below.

2.19 In respect of TOG and PF Provision for **Model System and Vetted Units under Modified Standard Cost System** :

- (a) For all Existing Staff, TOG and PF will be paid actual according to the reported rank and number of posts (including fractional posts) in the Snapshot.

- (b) TOG will be given to the NGO for paying salary increment to the Existing Staff within the TOG period until they leave the NGO or get promoted/regraded.
- (c) PF for Existing Staff will be paid on an actual basis under their contractual employment based on the previous recognised level (i.e. SWD will recognise PF contribution from the employer at the scale specified in the existing Guide to Social Welfare Subventions) until they leave the NGOs, irrespective of whether they remain in the same post or are promoted/regraded.
- (d) When a member of the Existing Staff within the recognised establishment leaves the NGO, the salary portion of the LSG (regardless of whether the LSG was originally above or below the benchmark) will remain unchanged, but the PF provision will be replaced by 6.8% of the mid-point salary of the recognised rank of that staff member in the Snapshot on 1 April 2000. In addition, for NGO whose LSG salary is above the benchmark, the LSG will have to gradually come down to the benchmark in steps of 2% a year commencing 2006-07 (i.e. after the TOG period).

2.20 In respect of **Unvetted Units under Modified Standard Cost System** :

For unvetted units undergoing Regularisation

- (a) All staff of these units in the 1 April 2000 Snapshot (whether they are occupying posts held against the recognised establishment or “extra” posts outside the recognised establishment of the unit) will continue to receive salary increment and PF benefits in accordance with the contractual agreement, irrespective of the results of the vetting. Government will meet the actual PF payment through subvention and provide TOG to meet the salary increments for these staff through the Lotteries Fund.

- (b) For staff occupying (or held against) posts in the recognised establishment, upon their departure from the agency, the PF provision will be calculated at 6.8% of the mid-point salary of the recognised post whereas for staff occupying posts which are “extra”, the PF provision for these staff will cease when they leave the NGO, that is, this will not be replaced by any other provision.

For unvetted units that the NGO chooses not to regularise

- (a) TOG and PF arrangements are **not** applicable for staff in unvetted units which NGOs choose not to have them regularised despite opting for LSG. Accordingly, those staff will not be regarded as Existing Staff for the purpose of TOG and PF arrangements.
- (b) The LSG salary provision for these units will be kept at mid-point of the recognised establishment and PF will be subvented at 6.8% of the mid-point salary of the recognised notional establishment as at 1 April 2000.
- (c) The management of the NGOs are required to honour their contractual commitments to staff in post in these unvetted units on 1 April 2000 in respect of salary increment and PF benefits through their own means.

Calculation of TOG and Procedure for TOG Application

2.21 TOG will be paid in cases where the projected salary of the Existing Staff who remain in the same NGO exceeds the salary portion of the LSG in respect of the same group of staff. TOG is the sum of the increments of all such staff added together on a cumulative basis as from the year when the NGO starts becoming eligible for TOG. That is to say, Existing Staff’s departure and its consequential impact on the NGO’s finances will **not** be taken into account in determining eligibility for TOG. The level of reserves accumulated by the NGO will also **not** be taken into consideration.

2.22 NGOs are required to update the Existing Staff position in September each year, with the staff departure date, and also the date of promotion/change of rank clearly indicated. NGOs are required to indicate their request for TOG when updating the staff list and SWD will project the requirement for salary increment for all these Existing Staff based on the updated Snapshot and determine the TOG amount.

2.23 SWD will apply for a Lotteries Fund allocation to cover the total TOG required on an annual basis on behalf of all NGOs. TOG will be released to the NGO quarterly in advance in the financial year. Where unanticipated departure of Existing Staff in the year has led to an excess in the TOG disbursed to the NGO, reconciliations will take place through the actual amount of TOG to be released in the subsequent financial year.

2.24 TOG once allocated will be subsumed under the total subvention and any unspent amount should be put into the Reserve Account of the NGO.

Calculation of Provident Fund Requirements and Disbursement Arrangements

2.25 Similarly, NGOs are required to update the Existing Staff position in September each year (as per the arrangement for the purpose of TOG described above). PF for Existing Staff will be paid on an actual basis according to the updated position and projected total PF requirements as part of the monthly subvention. Any unspent PF provision will be placed in the separate designated PF account of the NGO.

2.26 Illustrations showing how TOG and PF will apply in respect of NGOs in different situations are provided in **Appendix 3**.

2.27 The PF arrangements set out in the above paragraphs necessitate Provident Fund provision to be disclosed in the following ways : -

- (a) in the payment advice on LSG paid to NGOs, PF given to Existing Staff and 6.8% posts will be separately identified;

- (b) in NGOs' accounting records, PF of Existing Staff and 6.8% posts should be separately stated in respect of the PF received and PF expenditure; and
- (c) the NGO's Annual Financial Report will include a PF analysis showing PF subvention received, expenditure and surplus in respect of Existing Staff and 6.8% posts.

2.28 Provident Fund schemes of NGOs are subject to statutory requirements under the Mandatory Provident Fund Ordinance. For the purpose of subvention, NGO is required to inform all the contributors annually of : -

- (a) the position of their benefits under the scheme; and
- (b) the amounts of employee's and employer's contributions during the year

by providing the contributors with an annual statement of their accounts. The total of each contributor's accounts must be available for inspection by the contributor and SWD.

TREATMENT OF INCOME

Fees and Charges

2.29 NGOs can retain all income other than recognised fee income (which is included in the calculation of LSG). This means that NGOs may, subject to the principles governing fees and charges as described in paragraph 2.36 below, generate and fully retain income from other miscellaneous services incidental to the operation of the subvented service e.g. running a gift shop or providing photocopying services.

2.30 When operating income generating activities, NGOs should ensure that the activities are in line with the aims and objectives of their agencies, the relevant legal requirements are strictly abided by (such as the terms of the land grant and tenancy agreements, the licence requirement and copyright issue), subvented activities are not affected and in general there is no detrimental effect on welfare services. Income so generated will not be deducted from the LSG, but should be separately accounted for and reported in the NGOs' annual audited accounts and Annual Financial Report.

Donations

2.31 NGOs may accept and retain all donations on the understanding that funds to meet recurrent commitments arising from the donations will not be provided by SWD.

2.32 All donations and income derived therefrom have to be separately identified in the accounts of the NGO.

RESERVES

2.33 Unspent LSG must be kept in a Reserve Fund and reported to SWD as part of the LSG Annual Financial Report. **An amount of cash equivalent to the accumulated reserve must be kept in a separate interest-bearing account with a bank licensed in Hong Kong.** The level of cumulative reserves (including interest but excluding PF reserve) at the financial year end will be capped at 25% of the NGO's operating expenditure (excluding PF expenditure) for that year. **Any amount above this cap needs to be refunded to the Government in the following financial year, unless the cap is raised by DSW upon application with justification from the NGO.**

2.34 The reserves can be used at the discretion of NGOs subject to the following:-

- (a) Provident Fund reserves can only be used for PF commitments in the future;
- (b) the Reserve Fund must be used on FSA activities and the related support services; and

- (c) the NGO will absorb all financial consequences arising from the use of the reserves.

2.35 When a NGO considers using its reserves, it must :-

- (a) ensure that it will not encounter financial difficulties;
- (b) if the NGO subsequently encounters financial difficulties, resolve the problem(s) on its own without any financial assistance from the Government; and
- (c) ensure that the problem(s) and resolution(s) do not have adverse effects on the NGO achieving the requirements of FSAs and the interests of its service users.

FEES AND CHARGES

2.36 In administering fees and charges, NGOs are required to observe the following :-

- (a) they must continue to manage those fees and charges which produce recognised income for the purpose of offsetting subvention in accordance with the existing practices and procedures;
- (b) if a NGO wishes to introduce new user fees and charges for value-added services in respect of the services governed by FSAs for which subvention is provided, it must ensure that the proposed new fees and charges :-
 - (i) do not affect their FSA activities;
 - (ii) are not detrimental to the interests of users. In this respect, NGOs should pay particular attention to the affordability and need of users; and
 - (iii) have obtained SWD's prior approval (or in future to be incorporated in the NGOs' Annual Plan).

- (c) all fees and charges must be clearly displayed in service units so that users have unhindered access to information about the fees and charges. The display should also contain details of : -
- (i) whom in the NGO the service user can contact if he/she has a query and/or complaint about the fees and charges; and
 - (ii) whom in SWD the service user can contact if he/she is dissatisfied with the response to (i).

CHAPTER 3

FINANCIAL MANAGEMENT

3.1 This Chapter on Financial Management describes the financial accounting and external auditing requirements expected from NGOs.

FINANCIAL ACCOUNTING

3.2 This section provides the basic requirements in respect of accounting, financial reporting and internal control. Compliance with these requirements is a pre-requisite for NGOs receiving LSG and is necessary to support sound financial management.

Accounting

3.3 NGOs must ensure that proper books of account and other accounting records are kept for all transactions, separately identified into **FSA activities** and support services (including central administration and supervisory support), and **non-FSA activities**.

3.4 Accounting requirements in respect of FSA activities and support services are as follows :-

- (a) the financial year is from 1 April to 31 March of the following year;
- (b) NGOs need to properly account for the receipt of LSG, TOG and other social welfare subventions and expenditure in their accounts and annual financial statements;
- (c) a **separate Operating Income and Expenditure Account** must be kept for **each subvented service unit**, i.e. all those units under Funding and Services Agreements (FSAs) which are funded by LSG, other social welfare subventions and other income. This Operating Income and Expenditure Account for each subvented service unit must :-

- (i) be separated into FSA activities and non-FSA activities;
 - (ii) use the **Chart of Accounts** described in **Appendix 5** in maintaining accounting records;
 - (iii) be the source of information for the NGO to produce the Annual Financial Report described in Appendix 6; and
 - (iv) be an integral part of the overall Audited Accounts of the NGO.
- (d) NGOs need to prepare the **Annual Financial Report** for FSA activities and support services as described in **Appendix 6**; and
- (e) income and expenditure for specific programme activity, which is financed by income receipt or designated donations, must be shown separately in the accounts.

3.5 The following basic **books of account and accounting records** must be kept by each NGO :-

- (a) Books of Account and Records :-
- (i) cash book;
 - (ii) daily collection summary and revenue receipt counterfoils in respect of donations, subscriptions and fees etc.;
 - (iii) payment vouchers in respect of all types of expenditure;
 - (iv) pay lists in respect of all personal emolument expenditure;

- (v) staff records such as appointment letters, documents relating to promotion, transfer, incremental date, etc.;
 - (vi) register of fixed assets;
 - (vii) ledgers showing accounts in respect of all income and expenditure, assets and liabilities; and
 - (viii) journal for all transfers and adjustments.
- (b) the books of account and other related records must be **retained for the minimum period** specified below : -
- (i) records of a permanent nature e.g. annual financial statements, inventories, records of capital nature and government non-recurrent grants etc. shall not be destroyed without the prior approval of DSW;
 - (ii) records which may be destroyed after a minimum retention period of 7 years include all books of account (e.g. ledgers, cash books etc.), vouchers, fee receipts and bank statements; and
 - (iii) records which may be destroyed after a minimum retention period of 2 years include duplicates of quarterly returns, paysheets and vouchers; and
- (c) the books of account and all other relevant records and information must, at all reasonable times, be available for audit by authorised staff of SWD and the Audit Commission.

3.6 NGOs are also responsible for making improvements to their accounting systems in accordance with the advice of their auditors as set out in their management letter, and SWD.

Financial Reporting

3.7 The basic financial reporting requirement is the submission of the **Annual Financial Report** together with a review report thereon issued by the external auditors in respect of all FSA activities (including their support services to FSA activities), and the **audited financial statements of the NGO as a whole**.

3.8 A NGO must prepare an **Annual Financial Report** in respect of all its FSA activities (including support services to FSA activities) funded by LSG, other social welfare subventions and other income. The required format of this Report is explained in **Appendix 6**. The Annual Financial Report must :-

- (a) derive its content from and be reconcilable with the Operating Income and Expenditure Account of all the subvented service units under FSAs;
- (b) show at agency level, in respect of PF subvention received and PF expenditure, the split between **Existing Staff** and 6.8% posts; and
- (c) be an integral part of the NGO's overall Annual Report.

Internal Control

3.9 Internal control is fundamental to sound and prudent financial management. NGOs should always ensure that adequate internal controls are in place having regard to the nature and size of their organisation and the services provided. Advice on internal control procedures in respect of important financial activities has been provided by SWD as part of the Subvention Inspection process and is set out in **Appendix 7**.

EXTERNAL AUDITING

3.10 A NGO must commission an independent review on its **Annual Financial Report** to be carried out by its external auditors. Such a review should be performed in accordance with the Practice Note to be issued by the Hong Kong Society of Accountants. The following wording is recommended for “the scope of review” section of the review report :

“We have audited the financial statements of XYZ for the year ended 31 March ZZZZ and have issued an unqualified /qualified auditors’ report thereon dated XX/YY/ZZZZ.

We conducted our review of the attached Annual Financial Report of XYZ for the year ended 31 March ZZZZ in accordance with the Practice Note issued by the Hong Kong Society of Accountants. The review includes considering the procedures and records relevant to the preparation of the Annual Financial Report and performing procedures to satisfy ourselves that the Annual Financial Report has been properly prepared from the books and records of XYZ, on which the above audited financial statements of XYZ are based.”

3.11 The Annual Financial Report should be reviewed and the annual financial statements should be audited by a Certified Public Accountant/Public Accountant whose name appears on the gazetted list of Certified Public Accountants/Public Accountants, and signed by two authorised representatives of the NGO i.e. the Chairman and the Agency head.

3.12 **An external auditors’ management letter** in respect of the audit of the financial statements of the whole NGOs is also required to be prepared for submission to SWD. An external audit should involve a general appraisal of the adequacy and effectiveness of financial and accounting records and procedures aimed at providing proper and effective internal controls. The auditors may discover, during the course of the audit, weaknesses in the NGO’s internal controls. These should be brought to the attention of the management together with recommendations for improvement in the auditors’ management letter.

3.13 NGOs are required **to forward annually two copies of the Annual Financial Report** together with the auditors' review report **and audited financial statements of the agency as a whole** together with the auditors' management letter as described above to the Finance Branch of SWD **not later than 31 July** following the end of the financial year i.e. 31 March. NGOs must ensure that the due date for submission is strictly observed.

SUBVENTION INSPECTION

3.14 SWD Subvention Inspection in respect of LSG will focus on systems and performance auditing. Systems auditing will, for example, involve reviewing and advising on internal control procedures. Performance auditing will include working with, for example, the SWD's Service Performance Unit in respect of value for money audits.

CHAPTER 4

PUBLIC ACCOUNTABILITY

4.1 Subventions to NGOs are accounted for under the subventions subheads of Head 170 Social Welfare Department, namely Subhead 410 Rehabilitation Services (grants), Subhead 411 Social Welfare Services (grants) and Subhead 412 Refunds of Rates. The Director of Social Welfare, as controlling officer of Head 170 Social Welfare Department, is responsible and accountable for all expenditure from these subventions subheads as required under the Public Finance Ordinance (Chapter 2, Laws of Hong Kong). While the statutory responsibility for the control and management of social welfare subventions rests with the Director of Social Welfare, a public accountability framework has to be put in place to ensure that NGOs receiving Government subventions are accountable, through the Director of Social Welfare, to the public for the use of public funds. This Chapter sets out the public accountability framework in respect of NGOs under LSG, much of it is in fact drawn from the existing Guide to Social Welfare Subventions with which NGOs are familiar.

ROLES AND RESPONSIBILITIES OF DIRECTOR OF SOCIAL WELFARE

4.2 As the head of department executing the Government's social welfare policy, the Director of Social Welfare is responsible for ensuring that social welfare services, whether these are delivered by the Social Welfare Department or by NGOs, are meeting the Government's policy objectives, and that they remain so in the light of changing circumstances. The Director has to work closely with service providers to review the effectiveness of the services rendered.

4.3 As the controlling officer for the social welfare subventions, the Director of Social Welfare is responsible for ensuring that subvented activities are properly and effectively planned, delivered and evaluated. The Director has to obtain regular feedback from service providers in the process of service planning and evaluation.

4.4 To help discharge the above roles and responsibilities, the Director of Social Welfare, having regard to the Funding and Service Agreement, is empowered to :-

- (a) impose conditions on the granting of LSG;
- (b) undertake the following audits :-
 - (i) performance assessment of the NGO in respect of its FSA activities and related support services; and
 - (ii) value-for-money study in respect of any area being funded by LSG and other social welfare subventions. (The Director may also request the NGO to do such an audit themselves);
- (c) have access to the records and accounts of NGOs receiving LSG and other social welfare subventions. The Audit Commission and the Independent Commission Against Corruption will have the same access;
- (d) examine management and control procedures in a NGO with the assistance of the ICAC with a view to providing corruption prevention advice to its executive committee;
- (e) require the submission of annual audited accounts, financial reports, statements, statistics on performance indicators and any other necessary reports and/or returns from NGOs receiving LSG and other social welfare subventions;
- (f) seek representation as an observer on the executive or management committees of NGOs; and
- (g) withhold or terminate LSG and other social welfare subvention if a NGO fails to : -
 - (i) achieve a reasonable standard of performance in accordance with the FSAs;
 - (ii) exercise reasonable and prudent financial management; and
 - (iii) comply with the LSG rules and other subvention rules or obstruct the Director in the exercise of his/her authorities as given above.

ROLES AND RESPONSIBILITIES OF NON-GOVERNMENTAL ORGANISATIONS

4.5 NGOs receiving Government subventions are responsible for effective planning and the cost effective administration and of the services and activities governed by the FSAs. In discharging this role under the LSG, NGOs are expected to build in accountability mechanism and to be flexible and proactive in responding to the changing needs of the community.

ACCOUNTABILITY OF DIRECTOR OF SOCIAL WELFARE

4.6 As controlling officer for the social welfare subventions, the Director of Social Welfare has to secure public resources for the subvented activities through annual appropriation by the Legislative Council. Subject to the availability of funds, all applications and continuation of LSG have to be approved by the Director.

4.7 In disbursing subventions, the Director of Social Welfare has to observe the Government's overall subvention policy and guidelines prevailing at the time. The Director has to disseminate any revised subvention policy and guidelines to NGOs and to ensure compliance in a timely and effective manner. The Department will perform service performance assessments and audits and bring to the attention of the management of the NGO any anomalies of practice, together with recommendations for rectification and improvement.

4.8 The Director is required to answer to the Public Accounts Committee for any discrepancy or mis-management in the disbursement of LSG, or any issues concerning economy, efficiency or cost-effectiveness in the use of subventions, which may be identified by the Director of Audit.

ACCOUNTABILITY OF NON-GOVERNMENTAL ORGANISATIONS

4.9 NGOs receiving LSG and other social welfare subventions are directly accountable to SWD and the public for the proper and prudent use of public funds. It is the responsibility of NGOs' board and management to maintain proper control of the LSG and ensure that the use of the LSG meets the requirements and objectives set out in the FSAs and complies with the conditions spelt out in this manual. NGOs are expected to ensure that the LSG is spent in the most cost-effective manner and for the intended purposes. NGOs must also ensure effective management of income.

4.10 NGOs must take speedy actions to rectify any anomalies identified during the service performance assessments and audits by the Social Welfare Department and brought to their attention.

4.11 If a NGO ceases to operate, it must repay SWD any unused LSG, including those accrued in its accumulated reserve. Audited accounts and financial reports for the period up to and including the last day of operation must be submitted to SWD within two months of ceasing operation.

4.12 The chairman of the NGO board and the head of the NGO management may be invited to attend with the Director of Social Welfare before the Public Accounts Committee in cases where it is reported by the Audit Commission that the NGO has not complied with the conditions of LSG and FSAs and/or not used public funds prudently.

AUDIT COMMISSION

4.13 The Director of Audit may carry out such examination as he thinks fit into the economy, efficiency and effectiveness with which the NGOs have used public resources in discharging their functions.

CHAPTER 5

BEST PRACTICES

5.1 This Chapter provides *advice and guidelines* to NGOs in respect of good management practices and processes which will be taken into account in the performance evaluation of NGOs. NGOs are expected to take into account such advice and guidelines, which are aimed at helping NGOs to deal with the flexibility and accountability aspects of LSG. Advice and guidelines are provided in respect of corporate governance, human resource management and internal auditing. These best practices will be updated from time to time to reflect the latest developments, to take account of feedback from the sector and to share best practices adopted by individual NGOs. In between the regular updating, management advice and guidelines on other topics will be provided through SWD's other correspondence with the welfare sector. The SQSs under the SPMS also stipulate the principles and expectations of good management of NGOs.

CORPORATE GOVERNANCE

5.2 The key areas here are the role of NGO Boards/Management Committees; the involvement of staff in management matters; and the involvement of service users in service planning, delivery and monitoring.

Role of NGO Boards/Management Committees

5.3 NGO Boards and Management Committees are responsible for the governance of the NGO. They are governed by their own articles of association and are entrusted with the responsibility to manage the affairs of the organisation. Subject to their own stipulated rules and regulations, they are ultimately responsible for the overall performance of the organisation. In general, NGO Boards/Management Committees are tasked to :

- (a) set the mission and goals of the NGO;
- (b) determine service delivery modes which meet the changing needs of the community;

- (c) ensure that public money is properly used for its designated purpose and the service performance meets the requirement of the FSAs;
- (d) assume responsibility for programme planning and budgeting, as well as for human resources management; and
- (e) establish a community network and support system.

5.4 To enhance transparency and obtain updated feedback from relevant stakeholders, management boards and committees of NGOs should decide how best to involve staff and service users in the management process. This could take the form of allowing the latter's participation in the Board or Management Committees where appropriate.

Involvement of Staff in Staffing Matters

5.5 Human resources are the greatest asset of welfare services. Generally speaking, the NGO Board/Management Committee is advised to consult staff on changes that may affect staff. Examples may include :-

- (a) revising the existing establishment structure;
- (b) changing the remuneration package or the working conditions; and
- (c) re-engineering and rationalisation of service delivery modes, and the subsequent manpower redeployment.

5.6 Specifically, as part of the special arrangements put in place to protect existing staff, NGOs operating under the LSG are required to honour their contractual obligations to existing staff by making full use of the Tide-Over Grant and Provident Fund arrangements which are detailed in Chapter 2 of this manual.

Involvement of Service Users in Service Planning, Delivery and Monitoring

5.7 NGOs should consider involving service users as far as practicable in service re-engineering, changing the existing service delivery mode, monitoring of service performance standard. Service users' feedback can be obtained through a variety of means such as service user liaison groups, discussions or opinion surveys.

HUMAN RESOURCE MANAGEMENT

5.8 NGOs should have clear Human Resource Management policies and programmes in respect of performance appraisal, pay and reward systems, training and development, manpower planning, recruitment and staff communication.

Performance Appraisal

5.9 For the purpose of staff development, salary increment, promotion and performance management, NGOs should develop an objective and open performance appraisal system which should assess an individual's performance against agreed work objectives / standards. The appraisal system should be the product of joint effort of the management and staff side such that it is a commonly agreed system.

Training & Development

5.10 To equip the organisation to meet future challenges, NGOs are advised to work out their staff training and development plans. Such plans aim to enable staff to acquire the knowledge, skills, abilities and attitudes necessary to improve their performance and increase their effectiveness.

5.11 Existing managerial staff or staff with potential to take up managerial positions should be identified and given the proper training so that they would be knowledgeable and competent in the areas of financial management and human resource management.

Manpower Planning

5.12 Manpower planning is essential to ensure that an organisation will have the appropriate staff in place to provide efficient services, in both the short and long term. On the basis of its plans, it can project its manpower and resource requirements to meet changing priorities. It covers the areas of succession planning and turnover due to retirement, resignation, etc.. Succession planning assesses the requirements and changes in key posts, identifies candidates with appropriate competencies to fill these posts and ensures that replacement candidates are available and adequately prepared for succession. A NGO is advised to formulate and review regularly a succession plan, which should identify :-

- (a) the key posts and possible successors;
- (b) causes of turnover;
- (c) competencies of successors and the training required for them; and
- (d) posts for which no apparent successor exists and the remedial action planned, such as direct recruitment of outsiders.

5.13 A succession plan will help to ensure that a NGO has suitably-qualified staff to deliver services in the most efficient and cost-effective manner.

Recruitment

5.14 A NGO is advised firstly to decide on the grade, rank and the number of staff members to be recruited, and secondly to consider the most appropriate terms of appointment. In doing this, the NGO may take into account the nature of the duties to be performed and the overall manpower deployment. Regarding the selection, the agency is advised to develop and use procedures which are clearly understood by candidates, to give candidates who meet the stipulated minimum requirements an equal opportunity for selection, and to select candidates on the basis of merit and ability.

Staff Relations

5.15 Staff relations involve effective communication between management and staff in order to secure maximum co-operation, commitment and motivation from staff. In order to keep staff abreast of changes and to rally their support, NGO management may adopt, on an on going basis, the following measures : -

- (a) set up a direct two-way communication network between management and staff such as staff-management liaison groups that meet regularly;
- (b) maintain regular dialogue, close contact and good relationships with staff and/or staff representatives;
- (c) provide effective means to gauge staff opinion and proactively respond to their needs; and
- (d) provide a communication system for cross department / service unit interface about the implementation of new initiatives / practices within the agency.

MANAGEMENT ACCOUNTING

5.16 Output control and performance management are essential features of LSG. To support performance management, NGOs are encouraged to develop their management accounting activities which include, for example, budgetary control and calculation of unit costs. Management accounting has an important role to play in promoting efficiency, cost effectiveness and efficient deployment of resources.

INTERNAL AUDITING

5.17 In order to enhance accountability and financial control, NGOs are encouraged to develop auditing activities such as Internal Audit and Audit Committees. In undertaking such audit activities, NGOs will have to take into account the size and nature of its organisation together with the services they provide.

5.18 **Internal audit** provides an independent appraisal of the activities of an organisation and assists its management in ensuring that there are adequate control procedures and systems to safeguard the organisation's assets. Internal auditors work alongside operational managers and share the same organisational goals with them. Internal auditors also assist top management by providing the latter with an independent and objective assessment of the use of the organisation's financial, human and physical resources in terms of economy, efficiency and effectiveness.

5.19 **Audit Committees** are a feature of corporate governance. They are usually established by an organisation's Board of Directors to deal mainly with the review and supervision of the organisation's financial reporting process and internal controls.

Appendix 1

SERVICE PERFORMANCE MONITORING SYSTEM

1. To ensure the provision of quality social welfare services to the public, and to increase the accountability of delivering welfare services, SWD and subvented NGOs have jointly introduced a Service Performance Monitoring System (SPMS) that is being implemented by phases over a period of three years with effect from 1999-2000. The SPMS is applied across the board to service units operated both by SWD and NGOs.
2. Under the SPMS, performance of service units receiving LSG and other welfare subvention is assessed based on the Funding and Service Agreements (FSAs) drawn up for each of the subvented services and evaluated against a set of well-defined Service Quality Standards (SQSs).

FUNDING AND SERVICE AGREEMENTS

3. A Funding and Service Agreement (FSA) is drawn up for each of the subvented services operated by NGOs. It defines the welfare services to be provided and the required performance standards in terms of quality, performance output as well as essential service requirements which should cover the objectives, scope and priority to meet changing community needs. FSAs also set out the roles, expectations and responsibilities of SWD as a funder and NGOs as service operators. A full list of FSAs is in **Enclosure 1 of Appendix 1**.
4. The FSAs will in future provide the basis for the annual planning process of service providers. The content of FSAs will be reviewed in accordance with the time schedule of the review of the respective Medium Term Plan of the programme area under which the FSA is formulated.

SERVICE QUALITY STANDARDS

5. Service quality is one of the performance standards used in assessing a service unit. The Service Quality Standards (SQSs) define the level of quality which, in terms of management and service provision, units are expected to attain. The SQSs are developed according to four principles which set out the broad objectives or core values of welfare services. These four principles are :-

- (a) to clearly define the purposes and objectives of the service and make its mode of delivery transparent to the public;
- (b) to manage resources effectively with flexibility, innovation and continuous quality improvement;
- (c) to identify and respond to specific service users' needs; and
- (d) to respect the rights of service users.

6. There are altogether 19 SQSs. Within each standard, there are a number of criteria. These criteria give service units a more specific indication of the types of practices or mechanisms required in order to meet the standards.

7. The 19 SQSs and the time-table for their implementation are set out in **Enclosure 2 of Appendix 1**.

PERFORMANCE ASSESSMENT

8. The purpose of performance assessment is to objectively assess service performance and propose directions for improvement according to the FSAs, SQSs and a set of systematic assessment procedures.

9. The Service Performance Section (SPS) of SWD is responsible for administering performance assessment under the SPMS. The purpose of assessment is to examine whether service units are meeting various performance standards as stipulated in the FSA. The assessment process involves :-

- (a) submission of quarterly statistical information by a NGO on each service unit regarding its performance on output standards;
- (b) annual self-assessment conducted by a NGO on each service unit regarding compliance with SQSs, essential service requirements and achievement of planned targets; and
- (c) external assessment conducted by SPS assessors on each service unit once every three years for ascertaining compliance with the output standards, SQSs and essential service requirements and meeting the service objectives of the programme areas.

10. The emphasis of performance assessment is on encouragement and continuous quality improvement. If a service unit is assessed to be non-conforming with the required performance standards, it has to work out a plan to improve its services within an agreed time frame. If it fails to improve after repeated efforts, the ultimate sanction will be for SWD to withdraw its LSG and other welfare subventions for the service unit in question.

11. Under the SPMS, a review mechanism is established to handle any appeal from a service unit against the findings of the external assessor.

ENHANCED SERVICE PERFORMANCE MONITORING

12. The SPMS will be enhanced through the introduction of an improved planning mechanism for social welfare services as described in the Preamble. In future, NGOs' performance will be further assessed by their ability to achieve the targets of key service result areas in the Medium Term Plan as well as the specific targets of their Annual Plans under different programme areas through individual service units.

Enclosure 1 of Appendix 1**FUNDING AND SERVICE AGREEMENTS**

This appendix lists all the FSAs by social welfare programme areas.

Programme (1) : Family and Child Welfare

←————— FSAs —————→

No.	FSA	No. supplementary FSA *
1.	Boys' Homes/Girls' Homes	
2.	Boys' Hostel/Girls' Hostel	
3.	Children's Home	
4.	Children's Reception Centre	
5.	Clinical Psychological Service	
6.	Day Relief Centre for Street Sleepers	
7.	Employment Service for the Socially Handicapped	
8.	Family Aide	
9.	Family Casework	
10.	Family Life Education	
11.	Foster Care	1. Emergency Foster Care
12.	Inter-country Adoption	
13.	Intercountry Casework Service	
14.	Post-migration Service	
15.	Residential Creche	
16.	Residential Nursery	
17.	Service for Abused Women – Refuge Centre for Women	
18.	Small Group Homes	
19.	Temporary Shelter/Hostel for Street Sleepers	
20.	Day Creche Service**	2. Extended Hours Child Care Service***
21.	Day Nursery**	3. Occasional Child Care Service*** 4. Integrated Programme in Child Care Centre*** (under Programme (4): Rehabilitation and MSS)

22. Day Nursery cum Creche Service**	
22	4

* supplementary FSA is a FSA which describes supporting activities/services to the main service (covered by a FSA as well) of a Service Unit.

** These FSAs are for Aided Day Nurseries. Financial reporting of them will not be included in the accounts of Lump Sum Grant and NGO's Annual Financial Report, and should be separately accounted for in ledgers and operating income and expenditure accounts.

*** They are funded either under Lump Sum Grant Mode or Model System and must be reported in the Annual Financial Report.

Programme (2) : Social Security

No.	FSA
1. Relief and Assistance	
	1

Programme (3) : Elderly Services

←————— FSAs —————→

No.	FSA	No.	supplementary FSA *
1.	Care & Attention Homes for the Elderly	1.	Dementia Supplement
2.	Combined Homes	2.	Emergency Placement
3.	Homes cum Care & Attention Units	3.	Infirmary Units
4.	Homes for the Aged	4.	Infirmary Care Supplement
5.	Hostels for the Elderly	5.	Respite Service
6.	Carers' Support Centres		
7.	Day Care Centres for the Elderly		

←————— FSA s —————→

8. Day Care Centre for the Elderly (with Meal Service Contracted Out)	
9. Holiday Centre for the Elderly	
10. Home Help	
11. Multi-service Centre for the Elderly	
12. Multi-service Centre for the Elderly (with Home Help and Meal Service Contracted Out)	
13. Support Team for the Elderly	
14. Nursing Home	6. Emergency Placement Service for Nursing Home
15. Pool Bus Service for the Elderly	
16. Social Centres for the Elderly	
17. Transit Shelter	
17	6

Programme (4) : Rehabilitation and Medical Social Services

←————— FSA s —————→

No.	FSA	No.	supplementary FSA *
1.	C&A Homes for the Aged Blind	1.	Dementia Supplement for Elderly with Disabilities
2.	Combined Homes for the Aged Blind	2.	Infirmary Care Supplement for the Aged Blind Persons
3.	Homes for the Aged Blind	3.	Infirmary Units for Aged Blind Persons
4.	Training and Activity Centre for Ex-mentally Ill Persons		
5.	Agency-based Clinical Psychological Service and Central Psychological Support Service		
6.	Agency-based OT Service		
7.	C&A Home for Severely Disabled		
8.	Caritas - Lok Heep Club		

←————— FSA s —————→

9. Commercial-hired Transport Service for People with Disabilities	
10. Communication Department for the Visually Impaired	
11. Community Rehabilitation Network	
12. Counselling Centre for Psychotropic Substance Abusers	
13. Day Activity Centres	
14. Day Activity Centre cum Hostel	
15. Domiciliary OT Service	
16. Early Education and Training Centres	4. Occasional Child Care Service for Disabled Children
17. EETC - Matilda Child Development Centre	
18. Factory for the Blind	
19. Halfway House	
20. After-care Service for Dischargees of Halfway Houses	
21. Home-based Training Programme	
22. Hostel for Moderately Mentally Handicapped Persons	
23. Hostel for Severely Mentally Handicapped Persons	
24. Hostel for Severely Physically Handicapped Persons	
25. Hostel for Severely Physically Handicapped Persons with Mental Handicap	
26. Half-way House Service for Ex-drug Abusers	
27. Long Stay Care Home	
28. Multi-service Centre for the Deaf of The Hong Kong Society for the Deaf	
29. Non-medical Voluntary Drug Treatment & Rehabilitation	

←————— **FSA** —————→

30. Parents/Relatives Resource Centre for Disabled Persons, Parents/Relatives Resource Centre for Mentally Ill Persons	
31. Rehabilitation & Training Centre for the Visually Impaired	
32. Residential Special Child Care Centres	
33. Sheltered Workshop	
34. Sheltered Workshop cum Hostel	
35. Small Group Home for Mildly Mentally Handicapped Children	
36. Small Group Home with Integrated Service for Mildly Mentally Handicapped Children	
37. Social & Recreational Centres for Disabled	
38. Special Child Care Centres	4. Occasional Child Care Service for Disabled Children 5. Special Provision Program for Autistic Children in Special Child Care Centre
39. Supported Employment	
40. Supported Hostel	
41. Supported Housing	
41	5

Programme (5) : Services for Offenders

No.	FSA
1.	Services for Ex-offenders and Discharged Prisoners
	1

Programme (6) : Community Development

No.	FSA
1.	Community Centre

2. Integrated Neighbourhood Projects in Targeted Old Urban Areas
3. Neighbourhood Level Community Development Projects
3

Programme (7) : Young People

No.	FSA
1.	Children Centres
2.	Children Centres with Reading/Study Room
3.	Children and Youth Centres
4.	Children and Youth Centres with Reading/Study Room
5.	Community Support Service Scheme
6.	Hotline Service for Youth at Risk
7.	Integrated Team
8.	Outreaching Social Work
9.	School Social Work
10.	Youth Centres
11.	Youth Centres with Reading/Study Room
11	

Programme (8) : Support

(a) Support

No.	FSA
1.	Head Office of HKCSS
1	

(b) Central Administration, Accounting Support and/or Other Support Services

They are not covered by FSAs. However, as the services are funded under Lump Sum Grant, they have to be included in the financial statements of Lump Sum Grant.

Various Programme Areas (9)

No.	FSA
1.	Integrated Services
1	

Enclosure 2 of Appendix 1**SERVICE QUALITY STANDARDS**

1. There are 19 Service Quality Standards (SQSs) and they are being implemented in the following three phases:-

Phase I 1999-2000**SQS**

- 1 The service unit ensures that a clear description of its purpose, objectives and mode of service delivery is publicly available.
- 4 The roles and responsibilities of all staff, managers, the Management Committee and/or the Board or other decision making bodies should be clearly defined.
- 10 The service unit takes all reasonable steps to ensure that it provides a safe physical environment for its staff and service users.
- 11 The service unit ensures that service users have clear, accurate information about to enter and leave the service.
- 18 Each service user and staff member is free to raise and have addressed, without fear of retribution, any complaints he or she may have regarding the agency or the service unit.

Phase II 2000-2001**SQS**

- 3 The service unit maintains accurate and current records of service operations and activities.

- 12 The service unit has a planned approach to assessing and meeting service users' needs (whether the service user is an individual, family, group or community).
- 16 The service unit respects the service users' rights in relation to private property.
- 17 The service unit respects the service users' rights for privacy and confidentiality.
- 19 The service unit takes all reasonable steps to ensure that service users are free from abuse.

Phase III 2001-2002

SQS

- 2 The service unit should have available current, documented policies and procedures describing how it will approach key service delivery issues.
- 5 The service unit implements effective staff recruitment, development, training, assessment and deployment practices.
- 6 The service unit has an effective mechanism by which service users, staff and other interested parties can provide feedback on its performance.
- 7 The service unit regularly reviews and evaluates its own performance.
- 8 The service unit demonstrates effective financial management.
- 9 The service unit complies with all relevant legal obligations and professional codes of practices.

- 13 The service unit ensures that, as far as practical, it co-ordinates its activities with other service units to promote the best quality outcomes for service users.
- 14 The service unit supports the maintenance of service users' family relationships and social relationships.
- 15 The service unit respects the service users' right to self-determination as far as practicable.

Appendix 2**SUBVENTED ACTIVITIES NOT INCLUDED IN LSG**

1. The Central Items listed below will continue to be subvented under current subvention rules and accounting arrangements and **have to be included in the NGOs' audited Annual Financial Report** :

- (a) Dementia Supplement for Elderly with Disabilities;
- (b) Infirmary Care Supplement for the Aged Blind Persons;
- (c) Dementia Supplement for Residential Elderly Services;
- (d) Infirmary Care Supplement for Residential Elderly Services;
- (e) Blister Programme;
- (f) Replacement Grant; and
- (g) Foster Care Allowance.

2. The following items, which continue to be subvented under current subvention rules and accounting arrangements, are **not** required to be included in the NGOs' audited Annual Financial Report :

- (a) Remaining Unit Rate Subsidy Services
 - (i) Non-medical Voluntary Drug Treatment and Rehabilitation Service; and
 - (ii) Helping Hand-Elderly C&A Home Places;
- (b) Aided Day Nurseries funded by 5% Subsidy (i.e. Day Nursery, Day Creche and Day Nursery cum Creche); and
- (c) all services under the contract payment mode such as Home Care Service and Meal Service.

Appendix 3

ILLUSTRATIONS ON TIDE-OVER GRANT AND PROVIDENT FUND ARRANGEMENTS

1. Under Lump Sum Grant, with a view to enabling NGOs to honour their contractual commitments to Existing Staff in the snapshot of 1 April 2000, the Government will meet the requirements for the Provident Fund (PF) contributions by the employer to these staff on an actual basis and provide a Tide-Over Grant (TOG) to meet the cost of granting salary increments to these staff. The calculations of TOG and PF requirements have been described in Chapter 2 (Para 2.21 to Para 2.28). To further facilitate users of this Manual to understand the arrangements, we set out in this Appendix a total of seven different scenarios of providing TOG and PF arrangements to NGOs. For simplicity, all the NGOs are assumed to be single-service unit NGOs.

2. In working out the illustrations, we have chosen NGOs operating under the LSG environment with varying **characteristics** in terms of :

- their mode of subvention under the current system, i.e. Model System and Modified Standard Cost System with units vetted or unvetted;
- their snapshot funding level as at 1 April 2000, i.e. the LSG salary, as compared with the Benchmark salary, i.e. whether above or below the Benchmark;
- their decision on regularisation of unvetted units subvented under Modified Standard Cost System, i.e. whether they choose to regularise their unvetted units or retain them as unvetted; and
- the year they start to join LSG.

3. Through NGOs with different characteristics, i.e. NGO A to NGO E, the examples in this Appendix illustrate the following **features** of the TOG and PF arrangements :

- eligibility for TOG is very straightforward and the calculation of TOG is a simple aggregate of the total salary increments required;
- the granting of TOG to eligible staff is not affected by situations like an Existing Staff reaching the maximum salary point of the reported rank or an Existing Staff leaving the NGO;
- staff in the 1 April 2000 snapshot in a lower rank held against a higher rank, staff in a higher rank held against a lower rank, and staff with no holding against in the Regularisation procedure will all receive TOG and PF arrangements; and
- the TOG and PF arrangements for NGOs choosing to remain unvetted.

4. NGO F and NGO G are specific examples to illustrate NGOs joining LSG at different time points and the treatment they receive under the TOG arrangement throughout the 5-year TOG period, i.e. from 2001-02 to 2005-06.

Appendix 3

NGO A (joins LSG in 2000-01)

<u>NGO Characteristics</u>	<u>Points to illustrate</u>
<ul style="list-style-type: none"> - Subvented under Model System - Snapshot staff matches with the notional establishment both in number and rank - Snapshot salary is below benchmark salary - LSG salary is at Benchmark salary, i.e. \$1,631,520 	<ul style="list-style-type: none"> - Eligible for TOG in 2002-03 when the projected salary of the Existing Staff in the 1.4.2000 snapshot exceeds the LSG salary for the same group of staff - TOG is the sum of incremental creep of all Existing Staff still employed by the NGO added together accumulated as from 2002-03 - TOG and PF arrangement when staff reaching maximum point of the reported rank in the 1.4.2000 snapshot

Recognised Post

<u>Rank</u>	<u>Estab.</u>	<u>Mid. Pt.</u>	<u>Annual Mid. Pt. Salary</u> \$
ASWO	1.000	M27	423,420
CA	1.000	M06	141,840
SSWA	1.000	M26	404,460
SWA	2.000	M17	529,800
SWO	0.200	M37	132,000
	5.200		1,631,520 (Benchmark salary, LSG salary)

Reported Staffing

<u>Rank</u>	<u>Fraction of Post</u>	<u>Reported Salary Point 2000-01 Reported</u>				<u>Reported Salary Point 2001-02 Reported</u>				<u>Reported Salary Point 2002-03 Reported</u>				
		<u>@1.4.2000</u>	<u>Annual Salary</u>	<u>P.F. Rate</u>	<u>P.F.</u>	<u>@1.4.2001</u>	<u>Annual Salary</u>	<u>P.F. Rate</u>	<u>P.F.</u>	<u>@1.4.2002</u>	<u>Annual Salary</u>	<u>P.F. Rate</u>	<u>P.F.</u>	<u>2002-03 TOG</u>
ASWO	1.000	M21	\$ 321,660	5%	\$ 16,083	M22	\$ 336,900	10%	\$ 33,690	M23	\$ 352,800	10%	\$ 35,280	\$ 15,900
CA	1.000	M04	125,040	5%	6,252	M05	133,380	5%	6,669	M06	141,840	5%	7,092	8,460
SSWA (Note 1)	1.000	M28	443,280	10%	44,328	M29	464,340	10%	46,434	M29	464,340	10%	46,434	0
SWA	1.000	M15	240,120	5%	12,006	M16	252,120	5%	12,606	M17	264,900	5%	13,245	12,780
SWA	1.000	M18	278,040	5%	13,902	M19	291,840	5%	14,592	M20	306,360	5%	15,318	14,520
SWO	0.200	M37	132,000	10%	13,200	M38	138,060	15%	20,709	M39	144,456	15%	21,668	6,396
	5.200		1,540,140		105,771		1,616,640		134,700		1,674,696		139,037	58,056

P.F. 2000-01: 105,771

P.F. 2001-02 : 134,700
TOG 2001-02 : - (note 2)

P.F. 2002-03 : 139,037
TOG 2002-03 : 58,056

Note 1 : This staff reaches maximum salary point of SSWA on 1.4.2001

Note 2 : Projected salary of reported staffing is less than LSG salary

NGO B (joins LSG in 2000-01)

NGO Characteristics	Points to illustrate
<ul style="list-style-type: none"> - Subvented under Modified Standard Cost System - A vetted unit - Snapshot staff matches with the notional establishment both in number and rank - LSG salary is \$1,727,340, i.e. the snapshot salary, which is above the benchmark salary 	<ul style="list-style-type: none"> - Eligible for TOG in 2001-02 because the projected salary of the Existing Staff in the 1.4.2000 snapshot exceeds the LSG salary in 2001-02 for the same group of staff - TOG is the sum of incremental creep of all Existing Staff still employed by the NGO added together accumulated as from 2001-02 - TOG and PF arrangement when staff reaching maximum point of the reported rank in the 1.4.2000 snapshot - TOG and PF arrangement when staff leaves the NGO

Recognised Post

Rank	Estab.	Mid. Pt.	Annual Mid. Pt. Salary
			\$
ASWO	1.000	M27	423,420
CA	1.000	M06	141,840
SSWA	1.000	M26	404,460
SWA	2.000	M17	529,800
SWO	0.200	M37	132,000
	5.200		1,631,520 (Benchmark salary)

Reported Staffing

Rank	Fraction of Post	Reported Salary Point @ 1.4.2000				Reported Salary Point @ 1.4.2001					Reported Salary Point @ 1.4.2002				
		2000-01 Reported Annual Salary	P.F. Rate	P.F.		2001-02 Reported Annual Salary	P.F. Rate	P.F.	2001-02 TOG	2002-03 Reported Annual Salary	P.F. Rate	P.F.	2002-03 TOG		
		\$		\$		\$		\$	\$		\$		\$	\$	
ASWO	1.000	M31	508,860	5%	25,443	M32	532,740	10%	53,274	23,880	M33	557,820	10%	55,782	48,960
CA	1.000	M04	125,040	5%	6,252	M05	133,380	5%	6,669	8,340	M06	141,840	5%	7,092	16,800
SSWA(Note 1)	1.000	M28	443,280	10%	44,328	M29	464,340	10%	46,434	21,060	M29	464,340	10%	46,434	21,060
SWA	1.000	M15	240,120	5%	12,006	M16	252,120	5%	12,606	12,000	M17	264,900	5%	13,245	24,780
SWA	1.000	M18	278,040	5%	13,902	M19	291,840	5%	14,592	13,800	M20	306,360	5%	15,318	28,320
SWO (Note 2)	0.200	M37	132,000	10%	13,200	M38	138,060	15%	20,709	6,060	M37	-	6.8%	8,976	-
	5.200		1,727,340 (LSG salary)		115,131		1,812,480		154,284	85,140		1,735,260		146,847	139,920

P.F. 2000-01: 115,131

**P.F. 2001-02 : 154,284
TOG 2001-02 : 85,140**

**P.F. 2002-03 : 146,847
TOG 2002-03 : 139,920**

Notes:

1. This staff reaches maxium salary point of SSWA on 1.4.2001
2. This staff leaves the NGO on 31.3.2002
(If he leaves the NGO on 31.1.2002, adjustment of 2 months incremental creep for him will be made in the TOG provision for 2002-03)
 - There will be no TOG for the replacement staff
 - 6.8% of mid-point of SWO, i.e. the recognised post, will be provided to NGO

NGO C (joins LSG in 2000-01)

NGO Characteristics	Points to illustrate
<ul style="list-style-type: none"> - Subvented under Modified Standard Cost System - Snapshot staff deviates from the notional establishment both in number and rank - Undergone Regularization with holding against arrangement - Recognised salary after Regularization is below benchmark salary - LSG salary at benchmark salary, i.e. \$ 2,035,980 	<ul style="list-style-type: none"> - Eligible for TOG in 2001-02 when the projected salary of the Existing Staff in the 1.4.2000 snapshot exceeds the LSG salary for the same group of staff - TOG is the sum of incremental creep of all Existing Staff still employed by the NGO added together accumulated as from 2001-02 - TOG and PF arrangement for staff in a lower rank holding against a higher rank - TOG and PF arrangement for staff in a higher rank holding against a lower rank - TOG and PF arrangement for extra staff employed by the NGO with no holding against in the Regularisation procedure

Recognised Post

Rank	Estab.	Mid. Pt.	Annual Mid. Pt. Salary \$
ASWO	1.000	M27	423,420
CA	1.000	M06	141,840
SSWA	2.000	M26	808,920
SWA	2.000	M17	529,800
SWO	0.200	M37	132,000
	6.200		2,035,980 (Benchmark salary, LSG salary)

Reported Staffing

Rank	Fraction of Post	Recognised Salary for LSG				Reported Salary 2000-01				Reported Salary 2001-02				Reported Salary 2002-03			
		Recognised Salary Point	Calculation after Regularisation	Reported Salary Point @ 1.4.2000	Annual Salary	P.F. Rate	P.F.	Reported Salary Point @ 1.4.2001	Annual Salary	P.F. Rate	P.F.	2001-02 TOG	Reported Salary Point @ 1.4.2002	Annual Salary	P.F. Rate	P.F.	2002-03 TOG
			\$		\$		\$		\$		\$		\$		\$		\$
ASWO	1.000	M22	336,900	M22	336,900	5%	16,845	M23	352,800	10%	35,280	15,900	M24	369,420	10%	36,942	32,520
CA	1.000	M04	125,040	M04	125,040	5%	6,252	M05	133,380	5%	6,669	8,340	M06	141,840	5%	7,092	16,800
SSWA	1.000	M24	369,420	M24	369,420	10%	36,942	M25	386,280	10%	38,628	16,860	M26	404,460	10%	40,446	35,040
SWA	1.000	M14	228,660	M14	228,660	5%	11,433	M15	240,120	5%	12,006	11,460	M16	252,120	5%	12,606	23,460
SWA (Note 1)	1.000	M16	252,120	M16	252,120	5%	12,606	M17	264,900	5%	13,245	12,780	M18	278,040	5%	13,902	25,920
ASWO (Note 2)	1.000	M22	336,900	M29	464,340	5%	23,217	M31	508,860	5%	25,443	44,520	M32	532,740	5%	26,637	68,400
SWO	0.200	M34	115,128	M34	115,128	10%	11,513	M35	120,456	15%	18,068	5,328	M36	126,048	15%	18,907	10,920
WW (Note 3)	0.500			M07	75,570	5%	3,779	M08	80,550	5%	4,028	4,980	M09	85,800	5%	4,290	10,230
WMII (Note 3)	0.500			L07	59,880	5%	2,994	L08	61,050	5%	3,053	1,170	L08	61,050	5%	3,053	1,170
	7.200		1,764,168		2,027,058		125,580		2,148,396		156,419	121,338		2,251,518		163,875	224,460

P.F. 2000-01 : 125,580

P.F. 2001-02 : 156,419

P.F. 2002-03 : 163,875

TOG 2001-02 : 121,338

TOG 2002-03 : 224,460

Notes :

1. SWA holding against SSWA, LSG salary recognised at reported salary point, TOG and PF provided according to reported rank, i.e. SWA, at 1.4.2000 snapshot
2. ASWO holding against SWA, LSG salary capped at max pt of SWA (i.e. M22), TOG and PF provided according to reported rank, i.e. ASWO, at 1.4.2000 snapshot
3. Staff with no holding against, TOG and PF still to be provided according to reported rank, i.e. WW and WMII respectively, at 1.4.2000 snapshot. If they leave the NGO, no TOG or PF will be provided for any replacement.

NGO D (joins LSG in 2000-01)

NGO Characteristics	Points to illustrate
<ul style="list-style-type: none"> - Subvented under Modified Standard Cost System - Snapshot staff deviates from the notional establishment both in number and rank - Undergone Regularisation with holding against arrangement - Recognised salary after Regularisation is below benchmark salary - LSG salary at benchmark salary, i.e. \$ 2,035,980 	<ul style="list-style-type: none"> - Eligible for TOG in 2001-02 when the projected salary of the Existing Staff in the 1.4.2000 snapshot exceeds the LSG salary for the same group of staff - TOG is the sum of incremental creep of all Existing Staff still employed by the NGO added together accumulated as from 2001-02 - TOG and PF arrangement for staff in a lower rank holding against a higher rank - TOG and PF arrangement for staff in a higher rank holding against a lower rank - TOG and PF arrangement for extra staff employed by the NGO but with no holding against in the Regularisation procedure - TOG and PF arrangement for staff members leaving the NGO - Comparison over the TOG and PF arrangement between two ASWOs (or other ranks) leaving the NGO, one being an ASWO of the notional establishment and the other being an ASWO holding against a SWA post of the notional establishment

Recognised Post

Rank	Estab.	Mid. Pt.	Annual Mid. Pt. Salary \$
ASWO	1.000	M27	423,420
CA	1.000	M06	141,840
SSWA	2.000	M26	808,920
SWA	2.000	M17	529,800
SWO	0.200	M37	132,000
	6.200		2,035,980 (Benchmark salary, LSG salary)

Reported Staffing

Rank	Fraction of Post	Recognised Salary for LSG		Reported Salary 2000-01				Reported Salary 2001-02				Reported Salary 2002-03					
		Recognised Salary Point	Calculation after Regularisation	Point @ 1.4.2000	Annual Salary	P.F. Rate	P.F.	Point @ 1.4.2001	Annual Salary	P.F. Rate	P.F.	TOG	Point @ 1.4.2002	Annual Salary	P.F. Rate	P.F.	TOG
ASWO (Note 1)	1.000	M22	336,900	M22	336,900	5%	16,845	M27	-	6.8%	28,793	-	M27	-	6.8%	28,793	-
CA	1.000	M04	125,040	M04	125,040	5%	6,252	M05	133,380	5%	6,669	8,340	M06	141,840	5%	7,092	16,800
SSWA	1.000	M24	369,420	M24	369,420	10%	36,942	M25	386,280	10%	38,628	16,860	M26	404,460	10%	40,446	35,040
SWA	1.000	M14	228,660	M14	228,660	5%	11,433	M15	240,120	5%	12,006	11,460	M16	252,120	5%	12,606	23,460
SWA (Note 2)	1.000	M16	252,120	M16	252,120	5%	12,606	M17	264,900	5%	13,245	12,780	M18	278,040	5%	13,902	25,920
ASWO (Note 3)	1.000	M22	336,900	M29	464,340	5%	23,217	M31	508,860	5%	25,443	44,520	M17	-	6.8%	18,013	-
SWO	0.200	M34	115,128	M34	115,128	10%	11,513	M35	120,456	15%	18,068	5,328	M36	126,048	15%	18,907	10,920
WW (Note 4)	0.500			M07	75,570	5%	3,779	M08	80,550	5%	4,028	4,980	M09	85,800	5%	4,290	10,230
WMII (Note 4)	0.500			L07	59,880	5%	2,994	L08	61,050	5%	3,053	1,170	L08	61,050	5%	3,053	1,170
	7.200		1,764,168		2,027,058		125,580		1,795,596		149,932	105,438		1,349,358		147,101	123,540

P.F. 2000-01 : 125,580

P.F. 2001-02 : 149,932

P.F. 2002-03 : 147,101

TOG 2001-02 : 105,438

TOG 2002-03 : 123,540

Notes :

1. This staff leaves the NGO on 31.3.2001
(If he leaves the NGO on 31.1.2001, adjustment of 2 months incremental creep for him will be made in the TOG provision for 2001-02)
- there will be no TOG for the replacement staff
- 6.8% of mid-point of ASWO, i.e. the recognised post will be provided (compare with Notes 3)
2. SWA holding against SSWA, LSG salary recognised at reported salary point, TOG and PF provided according to reported rank, i.e. SWA, at 1.4.2000
3. ASWO holding against SWA, LSG salary capped at max pt of SWA(i.e. M22), TOG and PF provided according to reported rank, i.e. ASWO, at 1.4.2000
This staff leaves the NGO on 31.3.2002
(If he leaves the NGO on 31.1.2002, adjustment of 2 months incremental creep for him will be made in the TOG provision for 2002-03)
- There will be no TOG for the replacement staff
- 6.8% of mid-point of SWA, i.e. the recognised post, will be provided to NGO
4. Staff with no holding against, TOG and PF are still provided according to reported rank, i.e. WW and WMII, at 1.4.2000. If they leave the NGO, no TOG or PF will be provided for any replacement.
5. After leaving of ASWO (Note 1 refers), the projected salary of the remaining Existing Staff (including two excess staff) in the 1.4.2000 snapshot, i.e. \$1,795,596 exceeds the corresponding LSG salary, i.e. \$1,612,560 (LSG salary less mid-point salary of the leaving ASWO) and hence the NGO is eligible for TOG

NGO E (joins LSG in 2000-01)

NGO Characteristics	Points to Illustrate
<ul style="list-style-type: none"> - Subvented under Modified Standard Cost System - Snapshot staff deviates from the notional establishment both in number and rank - The NGO Management chooses the NGO to remain unvetted - LSG salary is capped at benchmark salary 	The NGO will not be given TOG and the PF provision will be fixed at 6.8% of the benchmark salary.

Recognised Post

<u>Rank</u>	<u>Estab.</u>	<u>Mid. Pt.</u>	<u>Mid. Pt. Salary</u>	<u>Annual Mid. Pt. Salary</u>	<u>PF @6.8%</u>
			\$	\$	\$
ASWO	1.000	M27	35,285	423,420	28,793
CA	1.000	M06	11,820	141,840	9,645
SSWA	2.000	M26	33,705	808,920	55,007
SWA	2.000	M17	22,075	529,800	36,026
SWO	0.200	M37	55,000	132,000	8,976
	6.200			2,035,980	138,447

(Benchmark salary, LSG salary)

Reported Staffing

<u>Rank</u>	<u>Fraction of Post</u>	<u>Reported Salary Point @1.4.2000</u>	<u>Salary</u>	<u>2000-01 Reported Annual Salary</u>	<u>P.F. Rate</u>	<u>P.F.</u>
				\$		\$
ASWO	1.000	M22	28,075	336,900	5%	16,845
CA	1.000	M04	10,420	125,040	5%	6,252
SSWA	1.000	M24	30,785	369,420	10%	36,942
SWA	1.000	M14	19,055	228,660	5%	11,433
SWA	1.000	M16	21,010	252,120	5%	12,606
ASWO	1.000	M31	42,405	508,860	5%	25,443
SWO	0.200	M34	47,970	115,128	10%	11,513
WW	0.500	M07	12,595	75,570	5%	3,779
WMII	0.500	L07	9,980	59,880	5%	2,994
	7.200			2,071,578		127,806

Notes:

1. PF provision will be 6.8% of the mid-point salary of recognised post, i.e. \$138,447
2. TOG will not be provided

NGO F (joins LSG in 2001-02)

NGO Characteristics	Points to illustrate
<ul style="list-style-type: none"> - Subvented under Modified Standard Cost System - A vetted unit - Snapshot staff matches with the notional establishment both in number and rank - LSG salary is \$1,727,340, i.e. the snapshot salary, which is above the benchmark salary 	<ul style="list-style-type: none"> - Eligible for TOG in 2001-02 because the projected salary of the Existing Staff in the 1.4.2000 snapshot exceeds the LSG salary for the same group of staff - TOG is the sum of incremental creep of all Existing Staff still employed by the NGO added together accumulated as from 2001-02 - TOG and PF arrangement over the 5-year TOG period - TOG and PF arrangement when staff reaching maximum point of the reported rank in the 1.4.2000 snapshot - TOG and PF arrangement when staff leaves the NGO

Recognised Post

Rank	Estab.	Mid. Pt.	Annual Mid. Pt. Salary \$
ASWO	1.000	M27	423,420
CA	1.000	M06	141,840
SSWA	1.000	M26	404,460
SWA	2.000	M17	529,800
SWO	0.200	M37	132,000
	5.200		1,631,520 (Benchmark salary)

Reported Staffing

Rank	Fraction of Post	Reported Salary 2000-01				Reported Salary 2001-02				Reported Salary 2002-03					
		Point @ 1.4.2000	Reported Annual Salary	P.F. Rate	P.F.	Point @ 1.4.2001	Reported Annual Salary	P.F. Rate	P.F.	Point @ 1.4.2002	Reported Annual Salary	P.F. Rate	P.F.	TOG	
			\$		\$		\$		\$		\$		\$		
ASWO(Note 1)	1.000	M31	508,860	5%	25,443	M32	532,740	10%	53,274	23,880	M33	557,820	10%	55,782	48,960
CA	1.000	M04	125,040	5%	6,252	M05	133,380	5%	6,669	8,340	M06	141,840	5%	7,092	16,800
SSWA(Note 2)	1.000	M28	443,280	10%	44,328	M29	464,340	10%	46,434	21,060	M29	464,340	10%	46,434	21,060
SWA	1.000	M15	240,120	5%	12,006	M16	252,120	5%	12,606	12,000	M17	264,900	5%	13,245	24,780
SWA(Note 3)	1.000	M18	278,040	5%	13,902	M19	291,840	5%	14,592	13,800	M20	306,360	5%	15,318	28,320
SWO (Note 4)	0.200	M37	132,000	10%	13,200	M38	138,060	15%	20,709	6,060	M37	-	6.8%	8,976	-
	5.200		1,727,340		115,131		1,812,480		154,284	85,140		1,735,260		146,847	139,920
			(LSG salary)									(Note 5)			

Conventional Allocation = 1,727,340 + 115,131

LSG Salary : 1,727,340
P.F. 2001-02 : 154,284
TOG 2001-02 : 85,140

P.F. 2002-03 : 146,847
TOG 2002-03 : 139,920

Rank	Reported Salary Point @ 1.4.2003	Reported Salary 2003-04				Reported Salary 2004-05				Reported Salary 2005-06					
		Point Reported	Annual Salary	P.F. Rate	P.F.	Point Reported	Annual Salary	P.F. Rate	P.F.	Point Reported	Annual Salary	P.F. Rate	P.F.	TOG	
			\$		\$		\$		\$		\$		\$		
ASWO(Note 1)	M33	557,820	10%	55,782	48,960	M33	557,820	10%	55,782	48,960	M33	557,820	10%	55,782	48,960
CA	M07	151,140	5%	7,557	26,100	M08	161,100	5%	8,055	36,060	M09	171,600	5%	8,580	46,560
SSWA(Note 2)	M29	464,340	10%	46,434	21,060	M29	464,340	10%	46,434	21,060	M29	464,340	10%	46,434	21,060
SWA	M18	278,040	5%	13,902	37,920	M19	291,840	5%	14,592	51,720	M20	306,360	5%	15,318	66,240
SWA(Note 3)	M21	321,660	5%	16,083	43,620	M22	336,900	5%	16,845	58,860	M22	336,900	5%	16,845	58,860
SWO (Note 4)	M37	-	6.8%	8,976	-	M37	-	6.8%	8,976	-	M37	-	6.8%	8,976	-
		1,773,000		148,734	177,660		1,812,000		150,684	216,660		1,837,020		151,935	241,680

P.F. 2003-04 : 148,734
TOG 2003-04 : 177,660

P.F. 2004-05 : 150,684
TOG 2004-05 : 216,660

P.F. 2005-06 : 151,935
TOG 2005-06 : 241,680

Notes:

1. This staff reaches maximum point on 1.4.2002, his TOG will be capped at the 2002-03 level in the following years
2. This staff reaches maximum salary point of SSWA on 1.4.2001
3. This staff reaches maximum salary point on 1.4.2004
4. This staff leaves the NGO on 31.3.2002
(If he leaves the NGO on 31.1.2002, adjustment of 2 months incremental creep for him will be made in the TOG provision for 2002-03)
- There will be no TOG for the replacement staff
- 6.8% of mid-point of SWO, i.e. the recognised post, will be provided to NGO
5. After leaving of SWO, the projected salary of the remaining Existing Staff in the 1.4.2000 snapshot, i.e. \$1,735,260, which exceeds the recognised salary for the same group of staff i.e. \$1,595,340 (\$1,727,340 - \$132,000) and hence, the NGO is eligible for TOG

NGO G (joins LSG in 2002-03)

NGO Characteristics	Points to illustrate
- Subvented under Modified Standard Cost System - A vetted unit - Snapshot staff matches with the notional establishment both in number and rank - LSG salary is \$1,727,340, i.e. the snapshot salary, which is above the benchmark salary	- Eligible for TOG in 2002-03 once it joins LSG because the projected salary of the Existing Staff in the 1.4.2000 snapshot exceeds the LSG salary in 2002-03 for the same group of staff - TOG is the sum of incremental creep of all Existing Staff still employed by the NGO added together accumulated as from 2001-02 i.e. the year when the projected salary of Existing Staff in the 1.4.2000 snapshot has exceeded the LSG salary for the same group of staff - TOG and PF arrangement over the 5-year TOG period - TOG and PF arrangement when staff reaching maximum point of the reported rank in the 1.4.2000 snapshot - TOG and PF arrangement when staff leaves the NGO

Recognised Post

Rank	Estab.	Mid. Pt.	Annual Mid. Pt. Salary \$
ASWO	1.000	M27	423,420
CA	1.000	M06	141,840
SSWA	1.000	M26	404,460
SWA	2.000	M17	529,800
SWO	0.200	M37	132,000
	5.200		1,631,520 (Benchmark salary)

Reported Staffing

Rank	Fraction of Post	Reported Salary Point 2000-01				Reported Salary Point 2001-02				Reported Salary Point 2002-03				
		@ 1.4.2000	Annual Salary	P.F. Rate	P.F.	@ 1.4.2001	Annual Salary	P.F. Rate	P.F.	@ 1.4.2002	Annual Salary	P.F. Rate	P.F.	2002-03 TOG
			\$		\$		\$		\$		\$		\$	\$
ASWO(Note 1)	1.000	M31	508,860	5%	25,443	M32	532,740	10%	53,274	M33	557,820	10%	55,782	48,960
CA	1.000	M04	125,040	5%	6,252	M05	133,380	5%	6,669	M06	141,840	5%	7,092	16,800
SSWA(Note 2)	1.000	M28	443,280	10%	44,328	M29	464,340	10%	46,434	M29	464,340	10%	46,434	21,060
SWA	1.000	M15	240,120	5%	12,006	M16	252,120	5%	12,606	M17	264,900	5%	13,245	24,780
SWA	1.000	M18	278,040	5%	13,902	M19	291,840	5%	14,592	M20	306,360	5%	15,318	28,320
SWO (Note 3)	0.200	M37	132,000	10%	13,200	M38	138,060	15%	20,709	M37	-	6.8%	8,976	-
	5.200		1,727,340		115,131		1,812,480		154,284		1,735,260		146,847	139,920
			(LSG salary)								(Note 4)			

Conventional Allocation = 1,727,340 + 115,131

Conventional Allocation = 1,812,480 + 154,284

LSG Salary : 1,727,340
 P.F. 2002-03 : 146,847
 TOG 2002-03 : 139,920

Rank	Reported Salary Point @ 1.4.2003	2003-04				2004-05				2005-06					
		Annual Salary	P.F. Rate	P.F.	TOG	Annual Salary	P.F. Rate	P.F.	TOG	Annual Salary	P.F. Rate	P.F.	TOG		
		\$		\$	\$		\$	\$	\$		\$	\$	\$		
ASWO(Note 1)	M33	557,820	10%	55,782	48,960	M33	557,820	10%	55,782	48,960	M33	557,820	10%	55,782	48,960
CA	M07	151,140	5%	7,557	26,100	M08	161,100	5%	8,055	36,060	M09	171,600	5%	8,580	46,560
SSWA(Note 2)	M29	464,340	10%	46,434	21,060	M29	464,340	10%	46,434	21,060	M29	464,340	10%	46,434	21,060
SWA	M18	278,040	5%	13,902	37,920	M19	291,840	5%	14,592	51,720	M20	306,360	5%	15,318	66,240
SWA	M21	321,660	5%	16,083	43,620	M22	336,900	5%	16,845	58,860	M22	336,900	5%	16,845	58,860
SWO (Note 3)	M37	-	6.8%	8,976	-	M37	-	6.8%	8,976	-	M37	-	6.8%	8,976	-
		1,773,000		148,734	177,660		1,812,000		150,684	216,660		1,837,020		151,935	241,680

P.F. 2003-04 : 148,734
 TOG 2003-04 : 177,660

P.F. 2004-05 : 150,684
 TOG 2004-05 : 216,660

P.F. 2005-06 : 151,935
 TOG 2005-06 : 241,680

Notes:

- This staff's PF contribution rate has increased to 10% with effect from 1.4.2001 and his salary point has reached maximum point of ASWO on 1.4.2002
- This staff reaches maximum salary point of SSWA on 1.4.2001
- This staff leaves the NGO on 31.3.2002
 - There will be no TOG for the replacement staff
 - 6.8% of mid-point of SWO, i.e. the recognised post, will be provided to NGO
- After leaving of SWO, the projected salary of the remaining Existing Staff in the 1.4.2000 snapshot, i.e. \$1,735,260, which exceeds the recognised salary for the same group of staff i.e. \$1,595,340 (\$1,727,340 - \$132,000) and hence, the NGO is eligible for TOG

Appendix 4**FEES AND CHARGES**

<u>PROGRAMME AREA / FSA</u>	<u>CSSA Related</u>	<u>Nature of Fees & Charges</u>	<u>Fee Level as at 1 April 2000</u> (monthly fees unless otherwise stated)
(1) Family and Child Welfare			
(a) Occasional Child Care Service	x	Service charge	\$64 per full day \$32 per half day \$16 per 2 hours \$6.4 per meal
(b) Extended Hours Child Care Service	x	Service charge	\$260 (5 hours a week) \$520 (10 hours a week) \$13 per hour for occasional user
(c) Boys' Homes / Girls' Homes			
- <i>Halfway Home for Boys</i>	x	Residential fee	\$610 Note 1
(d) Inter-country Adoption	x	Adoption fee	US \$1,580 per case
(e) Post-migration Service	x	Programme fee	\$29,760 per unit per annum Note 2
(f) Temporary Shelter / Hostel for Street Sleepers	√	Residential fee	\$1,420 Note 2
(2) Social Security		Nil	

<u>PROGRAMME AREA / FSA</u>	<u>CSSA Related</u>	<u>Nature of Fees & Charges</u>	<u>Fee Level as at 1 April 2000</u> (monthly fees unless otherwise stated)
(3) Elderly Services			
(a) Hostel for the Elderly	√	Residential fee) \$502* for self-care) place
(b) Home for the Aged / Hostel for the Elderly (Meal)	√	Residential fee) \$1,429*/\$1,506** for) meal place)
(c) Transit Shelter	√	Residential fee) \$1,605*/\$1,813** for) C&A place
(d) Home cum Care & Attention Unit	√	Residential fee)) Note 3)
(e) Combined Home	√	Residential fee))
(f) Care & Attention Home for the Elderly	√	Residential fee))
(g) Nursing Home	√	Residential fee	\$1,994
(h) Day Care Centre for the Elderly	x	Transportation fee	\$30 Note 2
Day Care Centre for the Elderly (with Meal Service Contracted out)	√	Service charge	\$901*/\$988** (with provision of meal service) \$166*/\$253** (with contracted out meal service)
(i) Home Help	√	Service charge	\$6,890 per Note 2 team

<u>PROGRAMME AREA / FSA</u>	<u>CSSA Related</u>	<u>Nature of Fees & Charges</u>	<u>Fee Level as at 1 April 2000</u> (monthly fees unless otherwise stated)
(j) Social Centre for the Elderly	x	Membership fee	\$21 per annum
(k) Multi-service Centre for the Elderly	x	Membership fee	\$21 per annum
(l) Pool Bus Service for the Elderly	x	Service charge	\$850 per trip (with A/C) \$670 per trip (without A/C)
(m) Holiday Centre for the Elderly	x	Camp fee	\$158 for weekend overnight user \$131 for weekday overnight user \$56 for weekend day user \$45 for weekday day user

(4) Rehabilitation and Medical Social Services

(a) Homes for the Aged Blind	√	Residential fee)	
)	
(b) Hostel for Moderately MH Persons	√	Residential fee)	\$1,429*/\$1,506**
)	
)	
(c) Sheltered Workshop cum Hostel	√	Residential fee)	
	x	Transportation fee	\$174

<u>PROGRAMME AREA / FSA</u>	<u>CSSA Related</u>	<u>Nature of Fees & Charges</u>	<u>Fee Level as at 1 April 2000</u> (monthly fees unless otherwise stated)
(d) Hostel for Severely MH Persons	√	Residential fee)))	
(e) Hostel for Severely Physically Handicapped	√	Residential fee)))	
(f) Hostel for Severely Physically Handicapped with MH	√	Residential fee))))	\$1,605*/\$1,813**
(g) C & A Home for Severely Disabled	√	Residential fee))))	
(h) C & A Homes for the Aged Blind	√	Residential fee)))	
(i) Long Stay Care Home	√	Residential fee))	
(j) Day Activity Centre cum Hostel	√ x	Residential fee) Transportation fee	\$174
(k) Halfway House Service for Discharged Mental Patients	√	Residential fee	\$1,171
(l) Supported Housing	√	Residential fee	\$502*/\$553**
(m) Supported Hostel	√	Residential fee	\$853*/\$932**

<u>PROGRAMME AREA / FSA</u>	<u>CSSA Related</u>	<u>Nature of Fees & Charges</u>	<u>Fee Level as at 1 April 2000</u> (monthly fees unless otherwise stated)
(n) Occasional Child Care Service for Disabled Children (SCCC/EETC)	x	Service charge	\$64 per full day \$32 per half day \$16 per 2 hours \$6.4 per meal
(o) Social & Recreational Centre for Disabled	x	Membership fee	\$21 per annum
(p) Training and Activity Centre for Ex-mentally Ill Persons			
- <i>Social Club</i>	x	Membership fee	\$21 per annum
(q) Early Education and Training Centre	x	Membership fee	\$146 per annum
(r) Special Child Care Centre			
- <i>day</i>	x	Service charge	\$354
	x	Transportation fee	\$87
- <i>residential</i>	x	Residential fee	\$402 (5 days a week) \$534 (7 days a week)
(s) Parents/Relatives Resource Centre for Disabled Persons, Parents / Relatives Resource Centre for Mentally Ill Persons	x	Membership fee	\$21 per annum

<u>PROGRAMME AREA / FSA</u>	<u>CSSA Related</u>	<u>Nature of Fees & Charges</u>	<u>Fee Level as at 1 April 2000</u> (monthly fees unless otherwise stated)
(t) Commercial-hired Transport Service for People with Disabilities	x	Transportation fee	\$174
(u) Domiciliary Occupational Therapy Service	x	Service charge	\$51 per visit
(v) Halfway House Service for Ex-drug Abusers	x	Residential fee	\$13 per day Note 2
(w) Caritas - Lok Heep Club	x	Membership fee	\$10 per annum Note 2 for member \$50 per annum for associate member
(x) Non-medical Voluntary Drug Treatment & Rehabilitation	√	Residential fee	\$1,429 Note 2

(5) Services for Offenders

- (a) Services for Ex-offenders and Discharged Prisoners

- *Hostel for Ex-offenders* x Residential fee \$39 per day

(6) Community Development

- (a) Community Centre x Membership fee \$29 per annum

(7) Young People

- (a) Children and Youth Centre x Membership fee \$29 per annum

<u>PROGRAMME AREA / FSA</u>	<u>CSSA Related</u>	<u>Nature of Fees & Charges</u>	<u>Fee Level as at 1 April 2000</u> (monthly fees unless otherwise stated)
(b) Integrated Team	x	Membership fee	\$29 per annum
(8) Support		Nil	
(9) Various Programme Areas			
(a) Integrated Services			
- <i>Integrated Centre</i>	x	Membership fee	\$29 per annum Note 2

Note

1. The fee level is in line with SWD's Kwun Tong Hostel.
 2. It is for subvention calculation purpose only.
 3. Self-care place is charged at \$917 for a couple. Meal section of Hostel for the Elderly is charged at \$1,429 for a single person and \$2,306 for a couple.
- * The rate is for 50% disabled adult or single elderly.
- ** The rate is for 100% disabled adult / Disability Allowance recipient.

Appendix 5**CHART OF ACCOUNTS**

1. The Chart of Accounts is to facilitate NGO's accounting at subvented service unit and agency level. The list of income/expenditure items sets out below is not exhaustive and NGOs may add more items.

A. INCOME**1. Lump Sum Grant**

- a. Provident Fund for Existing Staff (Note 1)
- b. Provident Fund for 6.8% Posts (Note 2)
- c. Salaries and Other Charges

2. Tide-Over Grant**3. Fee Income****4. Central Items**

- a. Dementia Supplement for Elderly with Disabilities
- b. Infirmary Care Supplement for the Aged Blind Person
- c. Dementia Supplement for Residential Elderly Services
- d. Infirmary Care Supplement for Residential Elderly Services
- e. Blister Programme
- f. Replacement Grant
- g. Foster Care Allowance

5. Subvention for Rent and Rates

- a. Rent
- b. Rates
- c. Other Items (eg. Government rent & management fee)

6. Other Income

- a. Donation
- b. Income from Other Activities
- c. Staff Reimbursement

7. Interest Received**B. EXPENDITURE****1. Personal Emoluments**

- a. Salaries
- b. Provident Fund Contributions
 - i. Provident Fund for Existing Staff (Note 1)
 - ii. Provident Fund for 6.8% Posts (Note 2)
- c. Allowances e.g. Acting/Doubling-up Allowance, Responsibility Allowance, Hardship Allowance and Relief Workers

2. Other Charges

- a. Utilities e.g. Electricity, Gas and Fuel and Water, Sewage Charge & Trade Effluent Surcharge
- b. Food e.g. Food for Clients and Food for Staff
- c. Administrative Expenses e.g. Cleaning Charges, Postage, Telephone, Advertisement, Bank Charges for Auto-pay of Salaries, Registration Fee under Provident Fund Scheme and Audit Fee
- d. Stores and Equipment e.g. Cleaning Charges and Material, Printing and Stationery and Newspapers and Periodicals
- e. Repair and Maintenance

- f. Specific Allowance e.g. Incentive Allowance for Sheltered Workers, House-Parent Allowance for Small Group Home and Special Allowance for Home Help/Day Care Centres for the Elderly
- g. Programme Expenses and Income
- h. Transportation and Travelling e.g. Vehicle Licence, Vehicle Third Party Insurance, Vehicle Repair and Maintenance and Fuel Charges
- i. Insurance e.g Employee's Compensation Insurance and Public Liability
- j. Miscellaneous e.g. Uniform, Bedding & Clothing, Laundry Expenses, Medical Supplies and Toys and Teaching Materials

3. Expenditure of Central Items (Note 3)

- a. Dementia Supplement for Elderly with Disabilities
- b. Infirmary Care Supplement for the Aged Blind Person
- c. Dementia Supplement for Residential Elderly Services
- d. Infirmary Care Supplement for Residential Elderly Services
- e. Blister Programme
- f. Replacement Grant
- g. Foster Care Allowance

4. Rent and Rates

C. RESERVE FUND

1. Reserve from LSG (except PF)

2. Provident Fund Reserve

- a. Existing Staff (Note 1)
- b. 6.8% Posts (Note 2)

Note 1 : **Existing Staff** are defined as the staff occupying recognised/held against Subvented posts as at 1 April 2000 in Model System Units, Vetted Modified Standard Cost System Units, and staff engaged in Unvetted Modified Standard Cost System Units as at 1 April 2000 specially recognised as a result of the regularisation.

Note 2 : 6.8% Posts refer to the recognised establishment of Unvetted Modified Standard Cost System units and those posts of which the provident fund will be replaced by 6.8% upon the incumbent of which leaving the NGO (i.e. excluding those “posts” outside the recognised establishment of the unit).

Note 3 : All expenditure related to Central Items including PE & OC should be charged to respective Central Item account as listed above.

Appendix 6**ANNUAL FINANCIAL REPORT**

NGO : _____

1 APRIL _____ TO 31 MARCH _____

	Notes	Total 2001-02 \$	Total 2000-01 \$	Remarks
A. INCOME				
1. Lump Sum Grant				
a. Lump Sum Grant (excluding Provident Fund)	1a	A		
b. Provident Fund	1b	B		
2. Tide-Over Grant		C		
3. Fee Income	2	D		
4. Central Items	3	E		
5. Rent and Rates	4	F		
6. Other Income	5	G		
7. Interest Received		H		
TOTAL INCOME		I		
B. EXPENDITURE				
1. Personal Emoluments	6	J		
a. Salaries				
b. Provident Fund	1b	K		
c. Allowances				
2. Other Charges	7	L		
3. Central Items	3	M		
4. Rent and Rates	4	N		
TOTAL EXPENDITURE		P		
C. SURPLUS/(DEFICIT) FOR THE YEAR	8	U		

SIGNATURECHAIRMAN
DATE:CHIEF EXECUTIVE
DATE :

NOTES ON THE ANNUAL FINANCIAL REPORT

1. Lump Sum Grant

- a. Lump Sum Grant (excluding Provident Fund)** This represents Lump Sum Grant (excluding Provident Fund) received for the year.
- b. Provident Fund** This is Provident Fund received and contributed during the year. Details are analysed below :

<u>Provident Fund Contribution</u>	<u>Existing Staff</u>	<u>6.8% Posts</u>	<u>Total</u>
	\$	\$	\$
Subvention Received	X	X	B
Provident Fund Contribution Paid during the Year	(X)	(X)	(K)
	-----	-----	-----
Surplus/ (Deficit) for the Year	X	X	R
Add : Surplus/(Deficit) b/f	X	X	X
	-----	-----	-----
Surplus/(Deficit) c/f	X	X	X
	=====	=====	=====

- 2. Fee Income** This represents social welfare fee income received for the year in respect of the fees and charges recognised for the purpose of subvention as set out in the Lump Sum Grant Manual.
- 3. Central Items** These are subvented service activities which are not included in Lump Sum Grant and are subject to their own procedures as set out in other SWD's papers and correspondence with the Agency.

	2001-02	2000-01
<u>a. Income</u>	\$	\$
Dementia Supplement for Elderly with Disabilities		
Infirmity Care Supplement for the Aged Blind Person		
Dementia Supplement for Residential Elderly Services		
Infirmity Care Supplement for Residential Elderly Services		
Blister Programme		
Replacement Grant		
Foster Care Allowance		
Total	<u>E</u>	

b. Expenditure

Dementia Supplement for Elderly with Disabilities		
Infirmity Care Supplement for the Aged Blind Person		
Dementia Supplement for Residential Elderly Services		
Infirmity Care Supplement for Residential Elderly Services		
Blister Programme		
Replacement Grant		
Foster Care Allowance		
Total	<u>M</u>	

- 4. Rent and Rates** This represents the amount paid by Social Welfare Department.
- 5. Other Income** These include all donations and income other than recognised social welfare fee income received during the year.

- 6. Personal Emoluments** Personal Emoluments include salary, provident fund, salary-related allowances.

Analysis of Personal Emoluments

	<u>No of Posts</u>	<u>\$</u>
HK\$500,001 - HK\$600,000 p.a.		
HK\$600,001 - HK\$700,000 p.a.		
HK\$700,001 - HK\$800,000 p.a.		
HK\$800,001 - HK\$900,000 p.a.		
HK\$900,001 - HK\$1,000,000 p.a.		
>HK\$1,000,000 p.a.		

7. Other Charges

<u>Other Charges</u>	<u>2001-02</u>	<u>2000-01</u>
	\$	\$
(a) Utilities		
(b) Food		
(c) Administrative Expenses		
(d) Stores and Equipment		
(e) Repair and Maintenance		
(f) Special Allowances		
(g) Programme Expenses		
(h) Transportation and Travelling		
(i) Insurance		
(j) Miscellaneous		
Total	L	

8. Analysis of Reserve Fund

	Analysis of Reserve Fund				
	Lump Sum Grant & TOG	Interest Received	Rent and Rates	Central Items	Total
Income					
Lump Sum Grant & TOG	A + B + C	-	-	-	A + B + C
Fee Income	D	-	-	-	D
Other Income	G	-	-	-	G
Interest Received	-	H	-	-	H
Rent and Rates	-	-	F	-	F
Central Items	-	-	-	E	E
Total Income	x	x	x	x	I
Expenditure					
Personal Emoluments	J	-	-	-	J
Other Charges	L	-	-	-	L
Rent and Rates	-	-	N	-	N
Central Items	-	-	-	M	M
Total Expenditure	J+L	-	x	x	P
Surplus/(Deficit) for the Year (a) – (b)	x	x	x	x	U
Less : Surplus/(Deficit) of Provident Fund	R	-	-	-	R
	x	x	x	x	x
Surplus/(Deficit) b/f	x	x	x	x	x
	x	x	x	x	x
Less : Refund to Government	x	x	x	x	x
Surplus/(Deficit) c/f	S	T	x	x	x

Note : * S + T cannot exceed 25% x (J+L excluding PF expenditure).

**9. Analysis of Income and Expenditure by Programme Area and Funding and Service Agreements
(including support services)**

	INCOME						EXPENDITURE					Surplus / (Deficits) (1)-(2)	Remarks
	LSG & TOG	Fee Income	Central Items	Rent and Rates	Other Income	Total Income (1)	Personal Emoluments	Other Charges	Central Items	Rent and Rates	Total Expenditure (2)		
Programme Area 1													
<u>FSA 11</u>													
Service Unit 111													
Service Unit 112													
“													
“													
<u>FSA 12</u>													
Service Unit 121													
Service Unit 122													
“													
“													
Programme Area 2													
<u>FSA 21</u>													
Service Unit 211													
Service Unit 212													
“													
Programme Area 8													
Central Administration													
Accounting Support													
Total	A+B+C	D	E	F	G		J	L	M	N	P		

Appendix 7**INTERNAL CONTROL**

1. Review of internal control is an important part of SWD's subvention inspection. Advice on internal control has been given to NGOs as part of the SWD's annual subvention allocation notification and in the management letter following a SWD's subvention inspection. This advice is now set out in this Appendix and covers :-

- (a) Revenue Collection and Receipt
- (b) Safe Custody of Cash, Cheque and Valuables
- (c) Bank Account and Cheque
- (d) Petty Cash
- (e) Payment
- (f) Programme Income and Expenses
- (g) Fixed Assets
- (h) Accounting Records and Financial Reports
- (i) Procurement

2. Internal control is fundamental to sound and prudent financial management. NGOs should always ensure that adequate internal control is in place having regard to the nature and size of their organisation and the services provided.

SECTION ONE

REVENUE COLLECTION AND RECEIPT

1.1 Segregation of Duties

The duties of income collection (including preparation of official receipts) and accounts recording of income received (including preparation of receipt vouchers and posting of entries to general ledger) should be carried out by different officers. Should there be practical constraints which make segregation impossible, special attention should be paid to ensure that there are proper reviews and reconciliation. Any abnormalities observed should be brought to the attention of the management immediately.

1.2 Official Receipts

- (a) Official receipts should be :
 - (i) issued for all income received except for autopay;
 - (ii) in prescribed form;
 - (iii) serially numbered and issued in sequence;
 - (iv) dated and issued to recipient immediately upon receiving the income; and
 - (v) written in ink.
- (b) Official receipt should have no amendment or alteration on it. If an error is made, the official receipt must be cancelled and retained in the official receipt book.
- (c) The stub/counterfoil of the last receipt in a day should be initialled by supervisor.
- (d) Spoiled/obsolete official receipts should be immediately and individually endorsed "cancelled". They should be retained in the official receipt books. Destruction of them needs to be verified and witnessed by a senior independent officer.
- (e) Cashiers authorised to receive money should be issued with only one official receipt book for each type of receipt at a time, or if this is impracticable, the minimum number

of books likely to be required for immediate use.

- (f) An official receipt register should be maintained to control the stock and issue of the different types of official receipt books. A suggested format of the Register of Official Receipt Books is attached at Annex A.
- (g) Unused or partly used official receipt books should be kept under lock and key.

1.3 Money Collected

- (a) No post-dated cheques should be accepted except for donation.
- (b) Uncrossed cheques received should be immediately crossed in favour of the Agency, and made payable to "A/C Payee Only".
- (c) Money collected should be shown in gross in accounting records (i.e. without offsetting it for expenses payment).
- (d) Money received should be banked promptly.

1.4 Daily Collection Summary

- (a) It should be prepared to record the daily collections. It should be immediately entered at the time when receipt is issued. This summary should include details such as the date of receipt, serial numbers of official receipts issued, nature of income, amount collected and the date of banking. A suggested format of the Daily Collection Summary is attached at Annex B.
- (b) The last entry of receipt in the daily collection summary in a day should be verified with the last official receipt counterfoil and **initialled** by supervisor at the end of the day, if there is collection received in the day.
- (c) End of day checking. Supervisor should ensure that the cash/cheque received, official receipts issued and records in daily collection summary are matched. The total

amount received needs to be agreed and initialled by the supervisors in the daily collection summary.

1.5 Collection Control Record

It contains payment position of all clients/students/members and should be prepared monthly (or other appropriate interval) to facilitate the identification of income which has not been collected and has been outstanding for some time. This record together with the daily collection summary serve to ensure complete recording of income. A suggested format of the Periodic Control Sheet is attached at Annex C.

1.6 Register of Clients/Students/Members

The enrolments and departures of the clients/students/members should be updated regularly in the Register.

1.7 Eligibility Certificates for Nurseries

For nurseries, cross-checking with the students' Eligibility Certificates should be made to ensure that the correct amount of fee is collected from/refunded to parents.

SECTION TWO

SAFE CUSTODY OF CASH, CHEQUE AND VALUABLES

2.1 **Banking of Cash/Cheques**

- (a) Cash/cheque received should be banked at least once a week or whenever a pre-approved limit has been reached.
- (b) Putting agency's money into a personal bank account of staff is prohibited.

2.2 **Safe Custody of Cash, Cheques and Valuables**

All cash as well as other valuables and important documents must be kept in a lockable storage controlled by joint key-holders.

2.3 **Records of Holders of Combination Numbers and Keys**

It is necessary to record the name of holder of keys or combination numbers, the date in which he takes over and his signature for receipt of keys/combination numbers. Persons holding keys or combination numbers should be held personally responsible for the security of the keys and their losses.

2.4 **Surprise Cash Count on Daily Collection**

- (a) It should be conducted by an officer other than the cash holder to detect and deter loss/misappropriation of cash/cheques. The checking officer should sign, date and record the result of the checking. Amount counted should be matched with the collection records. Should there be any discrepancies found, report should be made to the Management and investigation conducted.
- (b) It should be carried out by independent officers from headquarters or supervisors of the service unit at different times at irregular intervals in a year, say at least 3 times a year.

2.5 **Loss of Cash/Cheque/Valuables**

- (a) Loss of cash/cheques/valuables should be immediately reported to the Management.
- (b) Loss over a pre-approved amount, say \$1,000 should be immediately reported to the Police and followed up by a full report of the case. The report needs to be sent to the Management very shortly.

2.6 **Write-Off**

Write-off of receivables, valuables, losses and assets, etc. should be approved by the Management Committee.

SECTION THREE

BANK ACCOUNT AND CHEQUE

3.1 Authorisation of Bank Account and Cheque

- (a) Authorisation limit of each officer should be specified.
- (b) All bank accounts should be opened in the name of the agency/service units. Opening of a bank account needs Management Committee's prior approval which should be recorded.
- (c) Each bank account should be operated by at least two authorised signatories. All applications for cheque books must bear the signature of two officers authorised to sign on the accounts.

3.2 Cheque and Cheque Book

- (a) Cheques should not be pre-signed. They should only be signed upon presentation of properly authorised documents. No pre-signed cheque should be kept. Use of "Cash" cheque should be minimised as far as possible. Name chop should not be used when making signature.
- (b) No more than one cheque book for each bank account should be used at a time.
- (c) Cheque stubs must be retained. Spoiled or obsolete cheques should be effectively cancelled by stamping 'CANCELLED' and signed by supervisor/authorising officer. The cancelled cheques should be attached to the cheque book stubs.
- (d) Cheque books received should be recorded and signed for receipt in a Register (Annex H), and their issue must be controlled by recording the recipient's name, signature and date.
- (e) Unused cheque books should be kept under lock by an

independent senior officer.

- (f) Adequate security measures should be in place to safeguard the cheques contained in the partly used cheque book.

3.3 **Signing of Cheques**

- (a) An officer who signs a cheque needs to ensure that the amount entered in it corresponds with the amount in the supporting documents or voucher and the cheque is correctly entered.
- (b) An officer who countersigns a cheque needs to ensure that the signature of the other signing officer is authentic.

3.4 **Recording of Bank Transactions**

Transactions of different bank accounts should not be mixed in a single Cash Book. A separate Cash Book should be maintained for each bank account, **or**, alternatively, the Cash Book may be columnised for individual bank account.

3.5 **Bank Reconciliation Statement**

- (a) It should be prepared monthly for each bank current account. The preparing officer should sign and date on the bank reconciliation statement. A suggested format of the Bank Reconciliation Statement is attached at Annex D.
- (b) It should be reviewed, checked and verified by an independent officer who should sign and date on it to evidence the review.
- (c) The outstanding items on the statement should be followed up promptly.

SECTION FOUR

PETTY CASH

4.1 Imprest System

Imprest System is recommended to be implemented. Under this system, the petty cash holder is advanced a fixed float of money out of which he will pay claims of petty cash expenses. When the amount of the float is almost used up, he will then claim for reimbursing the amount he has paid as supported by the invoices/claim forms. Therefore, the characteristic of an imprest system is that, at any point of time, the total amount of paid invoices kept by the petty cash holder not yet claimed for reimbursement plus the cash in hand should always be equal to the amount of the fixed float. The amount held in an imprest must be kept to the minimum.

4.2 Authorisation of Petty Cash Payment

- (a) All petty cash payments should be properly authorised before they are eligible for claiming the petty cash.
- (b) The officer who authorises petty cash payment to individual claimants should not, at the same time, be the petty cash holder.
- (c) The officer authorising the reimbursement of petty cash to petty cash holder should not, at the same time, be the officer who authorises petty cash payment to individual claimants.

4.3 Evidence on Receipt of Petty Cash

- (a) The claimants should sign on the invoices/vouchers to give evidence of their receipt of the claims.
- (b) All invoices/claim forms should be immediately stamped with a 'PAID' chop upon settlement of the claims to prevent duplicate payments.

4.4 **Recording of Petty Cash Transactions**

- (a) A columnised Petty Cash Book with analysis of different types of expenditures should be maintained and regularly updated.
- (b) Receipts other than reimbursements of petty cash must not be included in the Petty Cash Book.

4.5 **Petty Cash Held in Hand and at Bank**

- (a) Bank account for holding petty cash should be held in the name of the agency/service unit instead of the petty cash holder who should only be one of the two authorised signatories.
- (b) All cash and evidence of payment e.g. invoices must be kept by petty cash holder in lockable storage.
- (c) Unauthorised advance from the imprests for personal use of staff is disallowed.
- (d) Imprest money should be kept entirely separated from other agency's money.

4.6 **Surprise Cash Count**

- (a) It should be conducted by an officer other than the petty cash holder to detect and deter loss/misappropriation of cash. The checking officer should sign, date and record the result of the checking on the Petty Cash Book. Amount counted should be matched with Petty Cash Book and evidence of payment. Should there be any discrepancies found, report should be made to the Management. Investigation follows.
- (b) It should be carried out by independent officers from headquarters or supervisors of the service unit at irregular intervals in a year, say at least 3 times a year.

SECTION FIVE

PAYMENT

(A) PAYMENT (OTHER THAN PERSONAL EMOLUMENT)

5.1 Authorisation of Payment

All expenses must be properly authorised before payments are made. Specimen signature of these authorised persons should be kept on records. The authority of approval of these officers are authorised and delegated by the Management Committee.

5.2 Details and Supporting Documents of Payment Vouchers

- (a) All payments must be supported by payment vouchers. Original invoices or debit notes with full details of the goods and services provided should be attached to payment vouchers.
- (b) Each payment voucher must be signed in ink by two different authorising officers i.e. the checking and authorising officer. The preparing officer, checking officer and authorising officer of payment vouchers should be different persons.
- (c) The checking and authorising officer must be satisfied that the expenses are properly incurred with regard to its nature and amount before approval is given.
- (d) All paid vouchers and invoices must be stamped with the word "PAID" by the paying officer to prevent duplicate payment.
- (e) The payment vouchers should contain :
 - (i) serially assigned (preferably pre-printed) voucher number;
 - (ii) date of voucher;
 - (iii) ledger accounts to be entered;

- (iv) description of the payment or full details of the goods and services provided;
 - (v) amount;
 - (vi) cheque number (Note : Cheque number should also be included in the Cash Book for cross reference);
 - (vii) signatures and dates of preparing officer, checking officer and approving officer; and
 - (viii) name of payee.
- (f) Unused space at the bottom of the payment voucher should be crossed out. This will avoid fraud entries being added subsequently.
- (g) Major alterations on payment vouchers are prohibited and minor alterations may be made by striking off and adding in but liquid fluid is not allowed for erasing. The alteration must be initialled/signed by the officer certifying or authorising the payment voucher.

5.3 Responsibilities of Checking and Authorising Officers of Payment Voucher

- (a) Checking officer is suggested to ensure the following before signing on Payment Voucher:
- (i) goods or services received or due for advance payment, are required contractually or under normal business practice;
 - (ii) prices are fair and reasonable or according to contract or scales;
 - (iii) castings and calculations are correct;
 - (iv) persons named are entitled to receive payment;
 - (v) approval for payments has been obtained;
 - (vi) payment does not exceed the total authorised amount; and
 - (vii) no previous payment on the same invoices has been made.
- (b) The authorising officer is suggested to ensure the following before signing on payment voucher :
- (i) the payment voucher has been properly checked;
 - (ii) the payment authorised corresponds with the

- supporting documents; and
- (iii) the signature of the checking officer is genuine.

5.4 Payment

- (a) Cheque payment should be used as far as possible. A limit for cash payment should be set so that any payment exceeding the limit must be made by cheque.
- (b) Uncollected cheques should be stamped “CANCELLED”.

(B) PERSONAL EMOLUMENT

5.5 Payment of Salaries and Allowances

- (a) A payroll showing details of each payee with explanations on any change of salaries should be prepared and produced for checking by the approving officer. The payroll should be signed and dated by the preparing and checking officers.
- (b) Bank autopay
 - (i) it should be used as far as possible; and
 - (ii) deletion from autopay should be made immediately upon an employee’s resignation.
- (c) When crossed cheque or cash is paid to an employee by a paying officer, the employee should be requested to sign on the payroll for acknowledgement of receipt.
- (d) Unpaid ordered cheques must be stamped “CANCELLED”.

5.6 Payment of Provident Fund

- (a) The Provident Fund scheme must be properly registered and the provident fund trust deed must be properly kept and safeguarded.
- (b) A statement showing the employee’s contribution, employer’s contribution and the employee’s entitlement under the Provident Fund Scheme should be issued to each

employee once a year.

- (c) Forfeiture of provident fund contributions should be accounted for as stipulated in the provident fund trust deed.

5.7 **Keeping of Personnel Records**

(a) **Personal File**

A personal file containing the following information should be maintained for each individual employee :

- (i) employment letter duly signed by employee and employer;
- (ii) all records on staff qualification, working experiences, promotion, transfer, leave and resignation;
- (iii) copy of HKID card or other relevant identity documents;
- (iv) all records on changes of posts and fringe benefits; and
- (v) updated personal particulars.

(b) **Employment Letter**

Employment letter stating the date of employment, post, salary scale, salary point, starting salary, incremental date and other terms of employment, should be issued to every employee. The employee should sign on the letter to acknowledge his acceptance and consent to the terms of employment.

(c) **Change of Post/Salary/Promotion**

Any changes of post, salary or promotion must be properly authorised and recorded in personal files and notice of the change(s) should be given to the employee concerned.

SECTION SIX

PROGRAMME INCOME AND EXPENSES

6.1 Accounting Record of Programmes

- (a) A financial report should be prepared on each programme and should be authorised by an independent senior officer within one month after completion of the programme. A suggested format of the Programme Financial Report is at Annex F.
- (b) Programme income and expenses should be separated. Expenses should not be paid out of (or netted off) the programme income.
- (c) Attendance records should be kept for programme activities. Fee collection records should be checked against these attendance records.

6.2 Programme Expenses

- (a) A financial budget should be prepared for each programme. A suggested format of the Programme Budget is at Annex E.
- (b) Means of Payment
 - (i) cheque payments should be used as far as possible; and
 - (ii) if cash payments are required, payments should be made on reimbursement basis as far as possible.
- (c) Advances of Programme Expenses
 - (i) advances should be properly authorised and made to appointed programme organiser only;
 - (ii) time lag between programme date and date of advances should be kept to minimum;

- (iii) for minor expenses where supporting invoices are not available from the suppliers, a voucher with sufficient details of the transaction should be made for checking and approval;
- (iv) expenses incurred in excess of the advances should be claimed through the normal payment procedures; and
- (v) balances of unspent advances should be promptly returned usually not later than one month from the completion of the programme.

SECTION SEVEN

FIXED ASSETS

7.1 Assigning An Identification Number to Each Asset

Each item of assets should be labelled/marked with an assigned serial number. This would facilitate physical checking of assets.

7.2 Fixed Asset Register

It should be kept for each centre and should contain the following information :

- (a) description of the assets;
- (b) assigned asset numbers;
- (c) physical location;
- (d) date of acquisition;
- (e) cost of acquisition and source of fund to acquire the assets;
and
- (f) date, reasons and authorisation for scrap or disposal.

A sample format of the Fixed Asset Register is attached at Annex G.

7.3 Physical Checking of Assets

It should be conducted at least once a year. The results and records of the checking should be retained. Any discrepancies found should be investigated and reported to the Management. In case write-off/scraping is necessary due to damage, wear and tear, obsolescence or loss, proper approval must be obtained and evidence of approval be kept or recorded in the Register.

SECTION EIGHT

ACCOUNTING RECORDS AND FINANCIAL REPORTS

8.1 Books of Accounts

- (a) Books of accounts (including Cash Book, Petty Cash Book, Journal and General Ledger) should be maintained.
- (b) Use of suspense account for subvention moneys should be avoided as far as practicable. If a suspense account is deemed absolutely necessary, its balance must be cleared as soon as possible. Suspense account entries must be duly authorised by the Management Committee.
- (c) The following practices are useful in preparing and keeping the books of accounts :
 - (i) correct opening balances should be brought forward with reference to the previous year's audited accounts. The ledger accounts should be balanced monthly;
 - (ii) expenses/income should be allocated to the appropriate ledger accounts;
 - (iii) official receipt numbers, cheque numbers, voucher numbers, ledger account folios, etc. should be recorded in the books of accounts for easy cross-reference;
 - (iv) all transactions must be supported by documentary evidence like duly authorised payment vouchers, petty cash vouchers, receipt vouchers, journal vouchers together with original source documents; and
 - (v) mistakes/errors in recording accounting entries should be crossed out with the book-keeper's initial instead of erasing or covering them with correction fluid. Where adjustments to the accounting entries are required, they should be made through duly

authorised adjusting entries.

8.2 The **Management Committee** should be involved in reviewing the financial statements and the books of accounts at regular meetings. Special attention and explanation may need to be paid to :

- (a) remuneration of chief executives;
- (b) abnormal bank transactions;
- (c) abnormal assets/liabilities items (e.g. large amount deposits, bank overdrafts, etc.);
- (d) abnormal income and expenses;
- (e) personal spending e.g. entertainment, overseas training and travelling;
- (f) loans of directors and employees, and inter-agency borrowings; and
- (g) any other unusual items, etc.

8.3 **Safe Custody of Records and Valuables**

Personnel records, accounting records and other valuables should be kept in a fire-proof and lockable cabinet; if available, in a safe. The cabinet key must be kept by the officer responsible for the safe custody of these records/valuables.

SECTION NINE

PROCUREMENT

9.1 Public Accountability and Value for Money

NGOs are financed by taxpayers' money, whether through Government subventions or public donations. They should therefore be accountable to the public for the use of that money and should always be prepared to account for their purchasing decisions.

Hence, NGOs are obliged to achieve the best value of money for their procurements.

9.2 Transparency and Open and Fair Competition

All requirements and specifications of the intended procurements should be clear and made known to all the possible suppliers and contractors. It is necessary to give a fair chance of competition as far as possible to all possible candidates to bid the contract.

All tenderers and suppliers should be treated on equal footing.

9.3 To achieve the procurement policy as stated in paragraphs 9.1 and 9.2 above, NGOs should consider adopting the following procurement procedures commensurate with the value of goods or services they are purchasing :

(a) Seeking quotations/tenders from suppliers/contractors

NGOs should try to ensure suppliers/contractors are as many as possible so that it will be competitive enough to achieve the best value of money. There are three main ways of seeking quotations/tenders from suppliers/contractors:

- (i) Open mode: All interested suppliers/contractors are informed e.g. by press, and are free to submit quotations/tenders.

- (ii) **Selective mode:** Only suppliers/contractors on pre-approved lists are informed of the procurement intentions and are allowed to bid on grounds of their qualifications and experiences.
- (iii) **Single or restricted:** On grounds of urgency or security, for proprietary products or for reasons of compatibility, only one or a number of suppliers/contractors approved by the management are invited to submit quotations and tenders.

(b) **Drawing up requirements and specifications of the products or services**

In drawing up these, NGOs are required to ensure the characteristics laid down for the products or services are based on functional, performance requirement of the products or services and international standard. Requirements or specifications should not be drawn up to suit a particular brand or country of origin.

(c) **Notice for inviting quotations or tenders**

It may include :

- (i) a broad description of the requirements specifications;
- (ii) estimated quantities and timing;
- (iii) the closing date and time for submitting quotations and tenders;
- (iv) the address for lodging quotations and tenders;
- (v) where to obtain quotation/tender documents which normally include standard contract forms; and
- (vi) name of the office or officer and a telephone contact for enquiries.

(d) **Evaluation of Tenders**

The management should be responsible for evaluating the tenders by making assessment, preferably without knowing the identity of the suppliers/contractors, on an evaluation report which format should be standardised, as far as possible. The management may also take into account the following for evaluation :

- (i) technical and financial capability of suppliers, and their past performance;
- (ii) timely delivery or completion;
- (iii) compatibility with existing or planned purchase;
- (iv) after sale support and service including maintenance and spare parts provision, warranty and/or guarantees;
- (v) running and maintenance costs; and
- (vi) fair market price, etc.

After the process of evaluation, management then recommends :

- (i) a quotation/tender which fully complies with the conditions and specifications of the goods/services and is the lowest price; or
- (ii) if there is/are pre-determined factor(s) other than price, a quotation/tender which attains the highest combined technical and price score.

(e) **Approval of the Quotations/Tenders**

The award of contracts should be approved by two authorised persons, whose authority of approval is delegated by the Management Board. Procurement of high value should be made known to the Management Board.

Register of Official Receipt Book

Received			Issued				Completed or Obsolete Forms		
Date	Serial Number		Signature of custodian	Date	Serial Number		Signature of custodian	Date of Return	Signature
	From	To			From	To			

Daily Collection Summary

Serial No.: _____

Date of Receipt	Receipt No.	Amount (\$)			Date of Banking
		Residential Fee	Programme Fee	Miscellaneous	
<i>Daily Grand Total</i>					

Preparing Officer : _____

Date : _____

The daily collections have been checked against the above Daily Grand Total and the above official receipts issued.

Checking Officer : _____

Date : _____

PERIODIC CONTROL SHEET FOR THE YEAR

NAME ®	MEMBERSHIP NUMBER ®	JANUARY		FEBRUARY		MARCH		APRIL		MAY		JUNE	
		Received on	Official receipt	Received on	Official receipt	Received on	Official receipt	Received on	Official receipt	Received on	Official receipt	Received on	Official receipt
			*		*		*		*		*		*
			*		*		*		*		*		*
			*		*		*		*		*		*
			*		*		*		*		*		*
			*		*		*		*		*		*
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			*		*		*		*		*		*
			*		*		*		*		*		*
			*		*		*		*		*		*
			*		*		*		*		*		*
Total													

Note : ® Name and Membership Number should be checked to Membership Register
 * Official Receipt Number should be filled in the blanks and should be checked to the Collection Summary

Prepared by : _____
 Date : _____

Checked by : _____
 Date : _____

(Applicable to hostels and homes generally)

PERIODIC CONTROL SHEET FOR THE YEAR

NAME ®	MEMBERSHIP NUMBER ®	JULY		AUGUST		SEPTEMBER		OCTOBER		NOVEMBER		DECEMBER	
		Received on	Official receipt	Received on	Official receipt	Received on	Official receipt	Received on	Official receipt	Received on	Official receipt	Received on	Official receipt
			*		*		*		*		*		*
	*		*		*		*		*		*		*
	*		*		*		*		*		*		*
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	*		*		*		*		*		*		*
	*		*		*		*		*		*		*
Total													

Note : ® Name and Membership Number should be checked to Membership Register
 * Official Receipt Number should be filled in the blanks and should be checked to the Collection Summary

Prepared by : _____

Date : _____

Checked by : _____

Date : _____

(Applicable to hostels and homes generally)

Specimen of Bank Reconciliation Statement

				\$
	Balance per Bank Statement			X
	Less : <u>Unpresented cheques</u>			
		<u>Cheque Date</u>	<u>Cheque No.</u>	<u>Amount</u>
				\$
		DD.MM.YY	A1	X
		DD.MM.YY	A2	X
		DD.MM.YY	A3	X
				<u> </u>
Follow up actions required				(X)
			Income credited not yet taken up in Cash Book	(X)
	Add :		Autopayment not yet recorded in Cash Book	X
			Income received not yet banked	X
	Balance per Cash Book			<u><u>X</u></u>

Prepared By : _____

Date : _____

Reviewed By : _____

Date : _____

Sample of Programme Financial Report

Programme Code : _____

Name of the Programme : _____ Date of the Programme : _____

Actual Programme Expense Items		Voucher Reference	Amount
	A/C folio		\$
Food			
Travelling/Transportation			
Printing and Stationery			
Promotion			
Decoration			
Gifts			
Souvenir			
Photographs			
Miscellaneous			
Total no. of vouchers		Total :	

Actual Programme Income		Amount
		\$
Programme Fee Income	\$ _____ x no. of participants per attendance record	
Actual Surplus/Deficit		
Total :		

Advance		Amount
		\$
Cash		
Cheques (CHQ No.: _____)		
Total Advance :		
Less : Total Expenses :		
Surplus to be refunded/(Deficits to be reimbursed) :		

Prepared by : _____

Date: _____

Checked by : _____

Date : _____

Refund received by : _____

Date : _____

Reimbursement received by : _____

Date : _____

Sample of Programme Budget

Programme Code : _____

Name of the Programme : _____

Date of the Programme : _____

Budgeted Programme Expense Items	Amount
	\$
Food	
Travelling/Transportation	
Printing and Stationery	
Promotion	
Decoration	
Gifts	
Souvenir	
Photographs	
Miscellaneous	
Total :	

Budgeted Programme Income	Amount
	\$
Programme Fee Income \$ x no. of participants	
Budgeted Surplus/Deficit	
Total :	

Amount of Advance : CASH \$ _____ (Payment Voucher No. _____)

CHEQUE \$ _____ (CHQ. No.: _____) (Payment Voucher No. _____)

Prepared by : _____

Date: _____

Approved by : _____

Date : _____

Advance received by : _____

Date : _____

Cheque Book Register

Received			Issued				Returned Cheque Stubs		
Date	Cheque Number		Signature of Custodian	Date	Cheque Number		Signature of custodian	Date of Return	Signature
	From	To			From	To			