

Funding and Service Agreement¹

Enhancing Support to People in Financial Distress

I. Service Definition

Introduction

The enhancement of support to people in financial distress aims at providing easily accessible and readily available support to persons in financial distress who may be susceptible to unscrupulous tactics of financial intermediaries for money lending.

Purpose and objectives

2. The purpose and objectives of the enhanced support are:
 - (a) to provide easily accessible and readily available support, counselling and advice for individuals and families with emotional / family problems arising from financial distress;
 - (b) to enhance the competence of those in financial distress in handling their difficulties and to enable individual and family members to prevent the problems from deteriorating; and
 - (c) to raise public awareness on the importance of proper debt management and vigilance against the unscrupulous tactics of the financial intermediaries.

Nature of service

¹ This Funding and Service Agreement is a sample document for reference only.

- 3. The Services provided include:
 - (a) a 24-hour hotline service with designated telephone line;
 - (b) support groups and programmes organised for enhancing competence and resilience of individual and families under financial distress; and
 - (c) publicity / community education programmes in raising public awareness.

Target Users

4. Target users are individuals and families who are in financial distress and vulnerable to the unscrupulous tactics of intermediaries, in need of assistance regardless of age, gender and race.

II. Performance Standards

5. The Service Operator shall meet the following performance standards:

Outputs

<u>Output Standard</u>	<u>Output Indicators</u>	<u>Agreed Level</u> (per year)
1	Total number of hotline calls handled relating to emotional / family problems arising from financial distress	1 000
2	Among (1), total number of hotline calls handled with counselling given	700
3	Total number of support groups / programmes organised for enhancing competence and resilience of individual and families under financial distress	3

<u>Output Standard</u>	<u>Output Indicators</u>	<u>Agreed Level (per year)</u>
4	Total number of publicity / community education programmes in raising public awareness of debt management and the unscrupulous tactics of the intermediaries	3

Outcomes

<u>Outcome Standard</u>	<u>Outcome Indicators</u>	<u>Agreed level</u>
1	Out of the total number of calls handled with counseling given, the percentage of callers having indicated satisfaction upon receiving the hotline service in a year.	80%
2	Percentage of individuals indicating enhanced competence and resilience under financial distress after attending the support groups / programmes in a year.	80%

Essential Service Requirements

6. The 24-hour hotline should be manned by at least one staff at any one time.

Quality

7. The Service Operators will meet the requirements of the 16 Service Quality Standards (SQSs).

III. Obligation of SWD to Service Operator

8. SWD will undertake the duties set out in the General Obligations of

SWD to the Service Operator as specified in the Funding and Service Agreement (FSA) Generic Sections.

IV. Basis of Subvention

9. The basis of subvention is set out in the offer and notification letters issued by SWD to the Service Operator.

Funding

10. An annual subvention will be allocated on a Lump Sum Grant (LSG) mode to the Service Operator for a time-defined period to deliver the service. This lump sum has taken into account the personal emoluments, including provident fund for employing registered social workers, and other charges (covering all other relevant operating expenses including employees' compensation insurance and public liability insurance) applicable to the operation of the project and recognized fee income, if any.

11. In receiving the LSG, the Service Operator is accorded flexibility in the use of the grant but required to observe the guidelines set out in the latest LSG Manual, LSG Circulars, management letters and correspondence in force as issued by SWD on subvention policies and procedures. The LSG will be subject to adjustments including salary adjustments in line with civil service pay adjustments and other charges in line with price adjustment factor, currently the Composite Consumer Price Index. The Government will not accept any liabilities or financial implication arising from the project beyond the approved funding.

Payment Arrangement, Internal Control and Financial Reporting Requirements

12. Upon the Service Operator's acceptance of the FSA, payment of the LSG subventions will be made on a monthly basis.

13. The Service Operator is responsible for maintaining an effective and sound financial management system, including budget planning, projection, accounting, internal control and auditing. It should maintain proper books and records and supporting documents on income and expenditure relating to the project and make them available for inspection by the Government representative.

14. The Service Operator shall submit the Annual Financial Report (AFR) as reviewed and the annual financial statements of the NGO as a whole as audited by a certified public accountant holding a practising certificate as defined in the Professional Accountants Ordinance (Chapter 50) and signed by two authorised representatives of the NGO, i.e. Chairperson/NGO Head/Head of Social Welfare Services in accordance with the requirements as stipulated in the latest LSG Manual. The AFR should be prepared on a cash basis and non-cash items such as depreciation, staff leave accrual etc. should not be included in the AFR.

V. Validity Period

15. This FSA is valid for a time-defined period. Should the Service Operator be in breach of any terms of condition of this FSA and fail to remedy the same in such manner and within such time as shall be specified in a written notice from SWD, SWD may, after expiry of such notice, terminate this FSA by giving 30 days' notice in writing to the Service Operator.

16. Where there is any change to the performance standards within the agreement period, SWD will seek mutual agreement with the Service Operator and the Service Operator will be required to achieve new requirements in accordance with the specified implementation schedule.

17. It is a time-defined project. Continuation of service for the next term will be subject to the availability of financial resources and relevant considerations such as the prevailing policy directive, service needs and the performance of the Service Operator. SWD reserves the right to reallocate the project.

VI. Other References

18. Apart from this FSA, the Service Operator should also comply with the requirements/commitments set out in the respective Service Specification, and the Service Operator's proposals and supplementary information, if any. Where these documents are in conflict, this FSA shall prevail. The Service Operator's compliance with all these documents will be closely monitored by SWD.