

## **Funding and Service Agreement<sup>1</sup>**

### **Supported Employment**

#### **I Service Definition**

1. Supported Employment (SE) is to provide support to persons with disabilities in employment. It allows them to work in an integrated open setting with necessary support service and to have access to the usual benefits of having a job such as income at market rates and job security. It is a welfare-oriented service without an employer/employee relationship between the service operator and the service users.

#### **Purpose and objectives**

2. The objectives of SE are:

- to serve as an avenue for upward mobility of persons with disabilities in sheltered workshops and a necessary step towards integration for those persons with disabilities who otherwise cannot take up open employment; and
- the ultimate goal is to prepare persons with disabilities to work in an open and competitive setting independently.

#### **Nature of service**

3. The services provided by SE include:

- arrangement of job placement such as job analysis and job matching;
- provision of support services including employment related skills training, on-the-job coaching and supervision, job-related guidance and advice to the service users, their family members and the job providers; and
- the programme will allow flexibility to go with the changing needs of the labour market and economic structure to ensure that its supports to service users are matching with reality.

#### **Target group**

4. The target groups for SE are:

- a) persons with moderate disablement with working abilities lying between sheltered workshop and open employment without support, i.e. the majority of

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<sup>1</sup> This Funding and Service Agreement is a sample document for reference only.

persons with moderate grade mental handicap and those with mild grade mental handicap coupled with other disabilities; and

- b) persons with moderate disablement with good working abilities but who are unable to adjust to the competitive open job market in the absence of support, i.e. those persons with severe physical, sensory, visceral or psychiatric disabilities.

### **Eligibility criteria**

5. To be eligible for a SE place, an applicant should:

- be aged 15 or above;
- be persons with disabilities who are assessed to be capable of or likely capable of open employment if provided with special support programme;
- have adequate self-care and daily living skills; and
- have motivation to take up open employment.

## **II Performance Standards**

6. The service operator will meet the following performance standards:

### **Outputs**

<u>Output Standard</u>	<u>Output Indicator</u>	<u>Agreed Level</u>
1	Average enrollment rate in a year*	95%
2	Overall annual successful discharge rate*	18%
3.	Progress review completed in a year*	95%

(\*Please refer to the attached Notes and Definitions)

### **Essential service requirements**

7. The service operator should ensure service users who are taking up open employment to work in an open integrated setting where they have access to the usual benefits of having a job.

**Service quality standards**

8. The service operator will meet the requirements of the 16 Service Quality Standards (SQSs).

**III Obligations of SWD to the Operator**

9. SWD will undertake the duties set out in the General Obligations of SWD to the service operator as specified in the FSA Generic Sections.

10. In addition, SWD will meet the following service-specific standard of performance. The actual performance of the department in relation to this obligation is expected to affect the ability of the service operator to meet its required standard of performance.

- to provide a referral from the Central Referral System for Rehabilitation Services (CRSRehab) within **28 days** of written notification of a vacancy, provided that there is a referral with updated and complete information in hand. Should a referral not be in hand, SWD will negotiate with the service operator as appropriate.

**IV Basis of Subventions<sup>2</sup>**

11. The basis of subvention is set out in the offer and notification letters issued by the SWD to the service operator.

**Funding**

12. An annual subvention will be allocated on a Lump Sum Grant (LSG) mode to the service operator for a time-defined period (*applicable to time-defined projects only*). This lump sum has taken into account personal emoluments, including provident fund for employing registered social worker, health worker(s) and supporting staff, 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. Rent and rates in respect of premises recognized by SWD for delivery of the subvented activities will be reimbursed separately on an actual cost basis.

13. 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 and the LSG Circulars in force on the use of subventions. The LSG will be subject to

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<sup>2</sup> This Funding and Service Agreement (FSA) is a sample document for reference only, and there are shorter versions of Sections IV, V, VI in some FSAs.

adjustments including salary adjustments in line with civil service pay adjustment and other charges in line with government-wide price adjustment factor. 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**

14. Upon your acceptance of the Funding and Service Agreement (FSA), payment of the LSG subventions will be made on monthly basis.

15. The service operator is responsible for maintaining an effective and sound financial management system, including budget planning, projection, accounting, internal control system 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.

16. The service operator has to submit annual financial report (AFR) and statements reviewed by a certified public accountant holding a practicing certificate as defined in the Professional Accountants Ordinance (Cap 50) and signed by two authorized 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 *(Applicable to time-defined projects only)***

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

18. 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.

19. Continuation of service for the next term will be subject to the 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**

20. 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 to all these documents will be closely monitored by SWD.

Notes and Definitions

1. **Enrolment** refers to the total number of enrolled service users as at the end of each month.
2. **Enrolment rate** =  $\text{Sum of month-end enrolment of the 12 months} \div 12 \text{ months} \div \text{Capacity} \times 100\%$ .
3. **Successful discharge** refers to those service users who are settled in an open employment for six months with an average monthly wage exceeding \$1,500. Continuous employment in the same job is not a must.
4. **Discharge rate** =  $\text{Total number of successfully discharged cases in a year} \div \text{Total number of people served during the period} \times 100\%$ .
5. **Progress review** refers to individual case plan review.
6. **Rate of progress review** =  $\text{No. of reviews completed during the period} \div \text{Total no. of reviews required during the period} \times 100\%$ .