

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

### **Relief and Assistance**

#### **I Service Definition**

##### **Introduction**

The supplementary relief service of the service operator provides a range of relief service to complete and complement the existing relief service provided by the Social Welfare Department (SWD) in the local community.

##### **Purpose and objectives**

The purpose of relief service is to offer victims of natural disasters and other needy persons who are desperately in need of tangible assistance in terms of relief materials to help them through the most critical period.

##### **Nature of service**

As a complement to the emergency relief service provided by the SWD, the service operator distributes emergency clothing to victims of natural disasters and in addition, some useful daily commodities such as blankets, towels, shampoo, toothpaste, mugs and slippers to other needy persons.

##### **Target group**

Either upon the initiative of the service operator or at the request of SWD in times of urgent need, the target group includes:

- the victims of natural disasters such as fire, flood, landslide, typhoon, rainstorm, house collapse, boat capsized, shipwreck, etc. and the evacuees of buildings and premises considered to be dangerous under Closure Orders
- other needy persons such as street-sleepers, discharged patients, patients in hospitals and refugees

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

## II Performance Standards

The service operator will meet the following performance standards.

### Outputs

The frequency of service delivery hinges on the number of occurrence of natural disaster and the request from the needy persons.

<u>Output Standard</u>	<u>Output Indicator</u>	<u>Agreed Level</u>
1	Rate of service delivery completed within 24 hours from the time of receipt of referrals of emergency relief service	100%

### Outcomes

<u>Outcome Standard</u>	<u>Outcome Indicator</u>	<u>Agreed Level</u>
1	Rate of satisfaction of the referral agencies towards the overall complementary emergency relief service provided by the service operator (Note 1)	80%
2	Rate of satisfaction of the referral agencies towards the relief materials (including emergency clothing and some useful daily commodities) purchased and provided by the service operator (Note 2)	80%

Essential statistics (for reference only)

- number of distributions
- number of beneficiaries
- amount of emergency clothing and useful daily commodities issued

### Essential service requirements

To maintain a ready stock of 2,000 new clothing bundles, 1,200 sweaters, 200

blankets, 200 pillows, 2,000 piece of towels, 500 shares of toothpaste, 500 shares of toothbrushes and 500 shares of shampoo.

### **Quality**

Service operators shall meet the requirements of the 16 Service Quality Standards (SQSs).

### **III Obligations of SWD to Service Operators**

The SWD will undertake the duties set out in the General Obligations of SWD to service operators.

In addition, the SWD will meet the following service-specific standards of performance. The actual performance of the department in relation to these obligations is expected to affect the ability of the service operator to meet its own required standards of performance.

- to notify the service operator within 24 hours if a complement to the relief service is required whenever SWD is called for emergency relief service

### **IV Basis of Subvention**

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

### **Funding**

An annual subvention will be allocated on the Lump Sum Grant (LSG) mode to the Service Operator. This lump sum has taken into account personal emoluments, including provident fund for employing registered social workers, qualified professionals 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 recognised fee income, if any. Rent and Rates in respect of premises recognised by SWD for delivery of the subvented activities will be reimbursed separately on an actual cost basis.

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, whichever is applicable, as well as the relevant Guidance Notes for specific services. The LSG will be subject to adjustments including salary adjustments in line with civil service pay adjustments and other charges in line with the 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**

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

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.

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 Other Reference**

Apart from this FSA, the Service Operator should also comply with the requirements / commitments set out in the Service Specifications, the Service Operator's proposal 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.

**Explanatory Notes**

Note 1 (i) **Rate of satisfaction of the referral agencies towards the overall complementary emergency relief service** provided by the service operator is measured annually by the designated questionnaire.

(ii) The calculation of **Rate of satisfaction of the referral agencies**  
 No. of referral agencies indicated “satisfactory” or  
 “very satisfactory” towards their overall  
 complementary emergency relief service in the  
 designated questionnaire  
 =  $\frac{\text{Total no. of designated questionnaire completed by referral agencies*}}{\text{Total no. of designated questionnaire completed by referral agencies*}} \times 100\%$

\*The questionnaires collected shall reach not less than 80% of the total number of all ER referrals received in a year as at end of March of the reporting year.

Note 2 (i) **Rate of satisfaction of the referral agencies towards the relief materials** purchased and provided by the service operator is measured annually by the designated questionnaire.

(ii) The calculation of **Rate of satisfaction of the referral agencies**  
 No. of referral agencies indicated  
 “satisfactory” or “very satisfactory” towards  
 the relief materials in the designated  
 questionnaire  
 =  $\frac{\text{Total no. of designated questionnaire completed by referral agencies*}}{\text{Total no. of designated questionnaire completed by referral agencies*}} \times 100\%$

\*The questionnaires collected shall reach not less than 80% of the total number of all ER referrals received in a year as at end of March of the reporting year.