

Partnership Fund for the Disadvantaged (the Eighteenth Round Regular Portion Application)

Frequently Asked Questions by Applicant Welfare NGOs

1. Application Criteria

Q.1 What kind of NGOs can apply for the Regular Portion under the Partnership Fund for the Disadvantaged (the PFD)?

- Bona-fide charitable welfare NGOs having tax-exempted status under Section 88 of the Inland Revenue Ordinance (Cap. 112) and regularly providing welfare services may apply for matching grants from the PFD;
- The applicant welfare NGO must prove it is financially sound and capable to deliver the proposed project, and submit documents and information in the application timely upon request of the Secretariat; and
- The applicant welfare NGO has to obtain written confirmation(s) issued by partnering business corporation(s) to confirm the the amount and nature of the business donation(s) committed for the project proposal.

[Please refer to paragraphs 2.1.1 to 2.1.2 and 4.1.1(c) of Application Guide for details]

Q.2 Who are the target beneficiaries of the PFD?

- The target beneficiaries must be the underprivileged groups such as people with disability, elderly people in need of social support, low-income families, family members of domestic violence/abuse, etc.;
- The disadvantaged groups such as hidden elderly persons, low-income families, children living in inadequate housing, ethnic minority families, non-engaged youths, unemployed able-bodied and persons affected by local economic downturn; and
- The applicant welfare NGO shall clearly elaborate the selection criteria and recruitment plan for the target beneficiaries in Section 2.5 of the application form.

[Please refer to paragraphs 2.2.1(b) and 2.3.1(a)(iv) of Application Guide for details]

2. Application Details and Points to Note

Q.3 How many applications can each applicant welfare NGO submit?

- Each applicant welfare NGO is allowed to submit and may be approved of a maximum of five applications provided that they can demonstrate the ability to deliver all the projects within the specified period of time.

[Please refer to paragraph 3.1.3 of Application Guide for details]

Q.4 What is the maximum allocation of fund for each approved project proposal?

- Allocation of grant for each approved project proposal will continue to be capped at a maximum of HK\$3 million. There is no limit to the amount of contribution from the business corporations.

[Please refer to paragraph 3.1.1 of Application Guide for details]

Q.5 Is it possible for an application to be jointly submitted by more than one applicant welfare NGO or business partner?

- Joint applications with more than one applicant welfare NGO or joint contributions with more than one business corporation in respect of the same application may be accepted. In such cases, a principal applicant welfare NGO shall be responsible for the application and comply with all the conditions of the grant.

[Please refer to paragraph 2.3.1(h) of Application Guide for details]

Q.6 Is there any limitation on the duration of project proposal?

- There is no specific limitation on the duration of project proposals as long as they fulfil all the application criteria. The duration of project proposal usually varies from one to three years.

Q.7 Do the welfare service and activities in project proposals have to be delivered in Hong Kong? How about overseas exchange tour?

- Welfare service and activities in the project proposals shall be delivered in Hong Kong which will benefit directly the welfare of the underprivileged groups and the disadvantaged of Hong Kong. The

PFD shall not accept application with activities to be delivered outside Hong Kong such as overseas exchange tour.

[Please refer to paragraph 2.2.1(b) of Application Guide for details]

Q.8 Is there any salient points to note when applicant welfare NGOs delivers programmes such as tutorial class, learning skills training and language training class?

- For all project proposals providing tutorial classes, learning skills training and language training, etc. on non-school premises, and welfare NGO applicants providing tutorial classes, learning skills training and language training, etc., irrespective of the venue of such classes/training, the applicant welfare NGOs shall consult and provide corresponding document(s)/certificate(s) (if any) to the relevant government department or authority.

[Please refer to paragraph 4.1.1(b)(vi) of Application Guide for details]

Q.9 How to define conflict of interest between applicant welfare NGOs and its business partner(s)? How to handle identified and suspected conflict of interest?

- Conflict of interest generally refers to the situation in which the applicant welfare NGO, its Board members or key personnel involved in the project have any previous or ongoing business dealings with the business partner(s), or even have any position(s) to perform any job duties in the business corporation(s);
- If there is any actual, potential or perceived conflict of interest in the proposed partnership between the applicant welfare NGO, its Board members or key personnel involved in the project and its business partner(s), the applicant welfare NGO is required to provide details and set out actions taken or to be taken to remove/mitigate the conflict of interest in **Section 3.4** of the application form and a completed standard form for declaration of conflict of interest. For example, the business partner shall undertake to refrain from participation in any procurement under the project, the person(s) having declared conflict of interest shall refrain from participation in procurement procedure and related decision making; and
- If an applicant welfare NGO fails to provide effective

ways/arrangements to properly manage the conflict of interest with business partner(s), SWD reserves the right not to accept the business donation(s) under the application for matching grants. Applications will not be considered if the conflict of interest situation gives rise to suspected risk of abuse.

[Please refer to paragraph 4.1.1(d), 4.1.2(d) to (e) and 5.3.1 of Application Guide for details]

Q.10 Is it necessary to provide details in “Programme Expenses”, even for those activity item(s) with no additional staffing and activity expenses?

- All activities under the project should have their expenditure and service outputs listed in the table of “Programme Expenses” (i.e. Section 2.8(iii)) of the Application form. Applicant welfare NGOs shall copy the table template to provide service output(s) of individual activities having no additional staffing and activity expenses, and state the staffing arrangement in the field of “Expenditure Items”.

Q.11 Is it necessary to provide all relevant details including purpose, content, target and total no. of participants, no. of classes/groups, no. of sessions per class/group and no. of hours per session for each activity item in “Programme Expenses” under Section 2.8(iii) of the Application Form?

- For an activity involving a series of breakdown activities with different natures, operation modes and target beneficiaries, applicant welfare NGOs shall provide all relevant details like purpose, content, target and total no. of participants, no. of classes/groups, no. of sessions per class/group and no. of hours per session for each breakdown activity.

Q.12 How to formulate Outcome Effectiveness for activities in project proposals?

- In general, applicant welfare NGOs shall formulate “Area of Effectiveness” and “Outcome Target” for overall project proposals and individual activity items (normally set at 80% or above) in Section 2.10 of the Application Form, according to “Project Objectives” stated in Section 2.6. The “Method of Evaluation” can be those well-used and well-tested questionnaires to measure the progress or improvement of

the beneficiaries in specific areas relevant to the project objectives.

3. Issues Regarding Business Donations

Q.13 What are the factors to be considered when partnering with business corporations? Will the Advisory Committee consider factors like background and history of the corporations when approving applications?

- Business partners shall be registered business corporations operating business in Hong Kong and their donation made can be applied for matching grants of the PFD;
- Applicant welfare NGOs should exercise their governance and be prudent in choosing business partners such that they should be clear about the background of the business corporations before partnering with them;
- Applicant welfare NGOs should be vigilant against any unreasonable conditions in exchange for donations such as requirements for purchase, advertising and promotion of the business partners' products, or services, etc;
- The Secretariat of PFD reserves the right not to accept business partners which fail to meet the basic requirements of the PFD or in respect of which the business may impose negative impact on the society; and
- Any requirement from the business corporations in relation to their donations must **not** be in conflict with the objectives and guidelines of the PFD. Also, donations shall **not** come from corporations running business in connection with smoking.

[Please refer to paragraphs 2.2.1(c), (h) and 4.1.2(a) to (c) of Application Guide for details]

Q.14 Is it necessary for donations be made by business corporations registered in Hong Kong? Can the donations made by foreign business corporations, charitable trusts/foundations fulfill the requirements of applying for matching grants of the PFD?

- The donations shall be made by registered business corporations operating business in Hong Kong or charitable trusts/foundations which are established and managed by such business corporations.

Donations from professional associations and religious bodies, contributions from charitable trusts/foundations not established and managed by the business corporations (or without the source of funding from business corporations) and funds under the management of government departments/public bodies will **not** be accepted.

[Please refer to paragraph 2.2.1(c) of Application Guide for details]

Q.15 Is personal donation/donation from charitable trusts/foundations established and managed by individual person qualified for applying for matching grants of the PFD?

- The PFD aims at promoting tripartite partnership among the welfare sector, the business community and the Government to help the disadvantaged. Hence, the donations shall be made by registered business corporations operating business in Hong Kong or charitable trusts/foundations which are established and managed by such business corporations. Personal donation or donation from personal charitable trusts/foundations is **not** eligible for matching grants of the PFD.

[Please refer to paragraph 2.2.1(c) of Application Guide for details]

Q.16 Do the business donations meet the requirements of matching grants of the PFD if the donations have already been received by applicant welfare NGO before submitting and approval of this application?

- Donations received by the applicant welfare NGO not earlier than one year before the launching of the Eighteenth Round Regular Portion Application, which means that only donation(s) received on or after 19 December 2023 will be counted for the purpose of matching to the PFD in the Eighteenth Round Application.

[Please refer to paragraph 2.2.1(e) of Application Guide for details]

Q.17 Can welfare NGOs apply for the PFD if they have not received cash or in-kind donations by business corporations?

- The applicant welfare NGO has to obtain and confirm the business donation(s) committed for the project in the application. Also, the applicant welfare NGO has to obtain written confirmation issued by partnering business corporation(s) on the amount and nature of the

contributions.

[Please refer to paragraphs 2.2.1(e) and 4.1.1(c) of Application Guide for details]

Q.18 Is it necessary for business donations to be made in cash? Is there any minimum amount for donations?

- The project proposal shall include a donation by business corporations in cash, in kind or a combination of the two. For contribution in cash, only cash, cheque, cashier's order and bank transfer are accepted. There is no minimum amount for donations.

[Please refer to paragraphs 2.2.1(d), 2.3.1(f) and 3.1.2 of Application Guide for details]

Q.19 Are all donations eligible for application for matching grants of the PFD? Which are the in kind donations having fulfilled the application requirements?

- Donations made by registered business corporations operating business in Hong Kong or charitable trusts/foundations which are established and managed by such business corporations may apply for matching grants of the PFD;
- Only new and saleable items currently available in the market which are of use or benefit to the disadvantaged and used in the project proposed would be counted for allocation of matching grants; and
- The PFD will not provide matching grant for the applicant welfare NGOs for free service, non-merchandised product or any supplies lacking market provision donated by business corporations.

[Please refer to paragraphs 2.2.1(c) to (d), 2.3.1(g) and 3.1.2 of Application Guide for details]

Q.20 How to work out the monetary value of in-kind donations for allocation of matching grants? Is it required to provide quotations for all in-kind donations?

- In-kind donations should be translated into monetary value with reference to the Government's Price List of Common Furniture and Equipment (the List), which can be downloaded from Lotteries Fund

under NGO Corner of SWD Homepage, for matching purpose and items should be of use or benefit to the disadvantaged and used in the project proposed;

- If the contribution in kind is not on the List, applicant welfare NGOs are required to provide written quotations in the applications for valuation of the contribution in kind. All the written quotations provided should be certified by the Head of applicant welfare NGO, i.e. Chief Executive or General Secretary of the NGO, as (i) being genuinely obtained from market and (ii) not being provided by the supplier or associated company of the business corporation offering contribution in kind to avoid any conflict of interest; and
- Written quotation with the lowest value will be referred to. If any contribution in kind claims to have some unique value, justifications for the value will be required.

[Please refer to paragraphs 3.1.2 and 3.2.1 to 3.2.3 of Application Guide for details]

4. Approval of Applications

Q.21 Who will conduct vetting of applications? What are the guidelines of assessing the applications?

- All applications are advised and vetted by the Advisory Committee of the PFD (the Advisory Committee). The Advisory Committee is comprised of non-official members from the welfare, business and academic sectors;
- Guidelines adopted by the Advisory Committee in assessing applications mainly include -
 - The applicant welfare NGO shall be a bona-fide charitable welfare NGO having tax-exempted status under Section 88 of the Inland Revenue Ordinance (Cap. 112);
 - The applicant welfare NGO must prove it is financially sound and capable to deliver the proposed project and submit documents and information in the application timely upon request of the Secretariat;
 - The project proposal shall be an initiative in support of the Government's welfare policy and directly benefit the underprivileged persons/groups of Hong Kong;

- The project proposal shall not receive duplicate funding support from the Government in any form before, during and after project implementation;
- Priority consideration will be given to applications which are -
 - in pursuit of 4“Es”, namely Enhancement of quality of life, Employment/skill development, Empowerment and Exclusion prevention;
 - with output and outcome evaluation with measurable indicators;
 - with promising sustainability and strategic partnership with the business corporations as wider participation and support from the business sector, e.g. involvement of business partners and active participation of corporate volunteers, is essential to the successful implementation and continuity of the project initiative;
 - with elements of early intervention and preventive measures targeting a social problem. Proposals with strategic plan to reach and provide support and services for a reasonable number of disadvantaged persons such as hidden elderly persons, low-income families, children living in inadequate housing, ethnic minority families, non-engaged youths, unemployed able-bodied and persons affected by local economic downturn will carry more weight in the selection;
 - demonstrative of the initiatives of the applicant welfare NGO in rendering appropriate services to meet the changing needs of the target groups and expand their social partnership; and
- SWD reserves the right to impose stringent restrictions or reject the application of the applicant welfare NGOs with unsatisfactory performance in execution of approved PFD projects.

[Please refer to paragraphs 1.1.2, 2.1.1 to 2.1.2, 2.2.1(a) to (b), 2.3.1(a) and 4.1.2(h) of Application Guide for details]

Q.22 If other governmental funding support is being sought for the project proposal, how can the applicant welfare NGO mention it in the application?

- The project proposal should not receive duplicate funding support from the Government in any form before, during and after project implementation; and
- If other funding support from the Government is being sought for a

project proposal, the applicant welfare NGO is required to inform the Secretariat of PFD in writing about the result of other funding application(s) or provide a copy of the document(s) showing its withdrawal from other funding application(s) within 2 months after submission of application; otherwise, the application for the PFD will be rejected.

[Please refer to paragraph 2.2.1(a) of Application Guide and Note 6 of Application Form for details]

Q.23 Can the applicant welfare NGOs submit project proposals for the PFD with similar substance as other projects which are previously approved or currently in progress?

- Applications with the same substance as other previously approved projects **may not** be considered unless a new service component, which may include new service elements, new service scope, new target clientele, or new geographical coverage, has been added. Application with proven outcome or output effectiveness may be allowed to repeat only once. As such, applicant welfare NGOs shall reflect the output effectiveness of previously approved projects in the application forms for the Advisory Committee's reference.

[Please refer to paragraph 2.3.1(e) of Application Guide for details]

5. Funding, Expenditure and Staffing Arrangements

Q.24 Can the applicant welfare NGOs include administration overheads of the proposed project in the application? How much, in term of percentage, is accepted for administration overheads against the total budget?

- The budget for administration overheads (including audit fee) up to 10% of the total budget of the project proposal may be considered in accordance with the operational needs of the project. Administration overheads will cover staff providing administrative support to the project; all service planning and management, coordination and quality assurance of the project; human resource management; accounting management and financial monitoring; risk management, internal audit and compliance; public relations, partnership, corporate communication and publicity; office/project venue, equipment and facilities, and

consumables; and information technology facilities and support.

[Please refer to paragraph 2.3.1(j) of Application Guide for details]

Q.25 What is the acceptable staffing cost in the proposal budget?

- The Advisory Committee will assess the staffing cost, having regard to the content, nature, required staff duties and qualifications of each project proposal. To benefit more underprivileged groups directly, applicant welfare NGOs are advised to have prudent budget control on the staffing cost. **Any project staff hired is required to devote a considerable number of hours of direct services to service beneficiaries.** Staff training and train-the-trainer programmes will be accorded low priority. Staff costs, upon taking into account the nature of the project, the nature and number of sessions/hours of tasks involved, the required qualification and experience of the staff, the market rate of similar jobs, and any other duties, knowledge and skills required of the staff, may be considered up to 50% of the total budget of the project proposal, and up to 70% of the total budget of the project proposal for a manpower intensive programme/activity. For project proposal with relatively high staffing cost, the applicant welfare NGO shall provide detailed and reasonable justifications for assessment by the Advisory Committee.

[Please refer to paragraph 2.3.1(i) of Application Guide for details]

Q.26 Can project proposals include expenses on renovation?

- Low priority will be given to those project proposals seeking funding to upgrade facilities and/or purchase equipment, or the related proportion of the funding sought will be heavily cut so that the PFD may benefit the disadvantaged more directly.

[Please refer to paragraph 2.3.1(b) of Application Guide for details]

Q.27 If there is procurement of furniture and equipment, works and other service in the approved project, what quotation and tender procedures, should be followed?

- The applicant welfare NGOs are required to follow quotation and tender procedures as stated in the [Lotteries Fund Manual](#) of SWD for the

approved furniture and equipment (F&E), works and other services of the project; and

- **The applicant welfare NGOs should conduct market research before procurement and accept the lowest offer that meets the specifications, so as to ensure all resources are utilised fairly and effectively.**

[Please refer to paragraph 3.3.1 of Application Guide for details]

Q.28 Are the procurement procedure and their corresponding requirements the same as those of Education Bureau?

- As the procurement procedure for goods and service required by the PFD are different from those of Education Bureau, applicant welfare NGOs shall make reference to the [Lotteries Fund Manual](#) of SWD and comply with relevant requirements.

Q.29 Is there any limitation on fee charging of activities in the project proposals?

- As the target beneficiaries of the PFD are underprivileged groups and disadvantaged groups, applicant welfare NGOs are advised to consider the following principles when imposing fees on activities in the project proposals –
 - The affordability of target beneficiaries in paying for the fee-charging items should be assessed;
 - Target beneficiaries with relatively favourable financial condition should take a fair share of the financial responsibility so that more people can benefit from the programmes;
 - Information containing all fees and the channels for making enquiries about the fees and charges should be clearly displayed in the service unit;
 - Fee-waiving mechanism in place should be well notified to target beneficiaries and be reviewed regularly; and
 - The fee income should be used up in the approved projects before using the approved matching grants.

[Please refer to paragraph 6.2.1 of Application Guide for details]

6. Notification of Results

Q.30 When will the applicant welfare NGOs be notified of the result after submitting the application? Will the applicant welfare NGOs be notified sooner if they submit application at an earlier time?

- Subject to the number of applications received and adequate information provided by the applicant welfare NGOs, vetting will be processed upon receipt of the application. Normally, the processing of an application will require about three to four months after the Secretariat has received the completed application form with all required information and documents as well as the information as requested by the Secretariat. Applicant welfare NGOs will be notified in writing through email of the assessment results after the proposed project and the matching grants has been approved. The approved project should be commenced within one year after approval of the project; and
- In order to allow the Secretariat to vet applications sooner, applicant welfare NGOs are encouraged to submit application at an earlier time. The processing schedule of an application depends on the adequacy and completeness of application form and documents received.

[Please refer to paragraph 5.2.1 of Application Guide for details]

7. Modification of Projects

Q.31 Can the applicant welfare NGOs modify project details during project implementation?

- **Prior written approval from SWD should be obtained for any modification of the approved project content, duration and/or budget. All written modification requests must be submitted before project completion.** However, modifications should only be applied when it is necessary as the welfare NGOs should critically examine the feasibility of the proposals. SWD suggests that each project should not modify more than two times and SWD reserves the right not to approve the project modification request;
- The Advisory Committee agrees that minor re-allocation of funds from one approved item of the budget to another is allowed, provided that the amount involved does not exceed \$100,000 or 50% of the **original** budget for the item, whichever is the less; and

- Transfer of unspent staffing cost and administration overheads to programme expenses is allowed, but not vice versa (i.e. transfer of unspent programme expenses to staffing cost or administration overheads is not allowed).

[Please refer to paragraph 6.5.1 and 2.3.1(k) of Application Guide for details]

8. Monitoring of Successful Applications

Q.32 How will SWD monitor the use of grants by applicant welfare NGOs for the successful applications? Do they need to submit regular reports to SWD?

- The welfare NGOs are required to furnish SWD with a final evaluation report at the end of each project, or progress reports at specified intervals using the prescribed report form. The report template can be downloaded from the PFD webpage in SWD Homepage;
- The welfare NGOs shall provide at least ten photos of the activities, including at least two photos with the Government logo, PFD logo or full name of PFD and project name, and a video with at least 30 seconds for the promotion of the PFD through different media and record purpose;
- For projects involving matching grants above \$250,000 from the PFD and having duration of over a year, the welfare NGOs are required to submit annual financial reports;
- The final financial reports and annual financial reports, if any, should comply with all requirements and formats to be specified by SWD in the notification letters to the welfare NGOs;
- The welfare NGOs will be required to submit final evaluation report and final financial reports on or before the date to be specified by SWD in the notification letters after the end of project;
- For project proposals involving procurement of furniture and equipment or contribution in kind, the welfare NGOs should comply with all requirements and formats to be specified by SWD in the notification letters for submission of the list of inventories; and
- Visits to approved projects may be arranged for Members of the Advisory Committee and the staff of SWD.

[Please refer to paragraphs 6.3.1 to 6.3.3, 6.4.1 and 6.7.1 of Application

Guide for details]

Q.33 Are the welfare NGOs required to return the unspent sum of the grants to HKSAR Government after the end of project?

- The welfare NGOs should demonstrate in their final financial reports that they have used up all of the donations from the business corporations in the approved projects and the other income generated from the approved projects (including but not limited to service fees charged, funds raised, etc.), if any, before using the approved matching grants. Unless otherwise approved by SWD, any unspent sum of the matching grants at the end of the projects should be returned to HKSAR Government.

[Please refer to paragraph 6.2.1 of Application Guide for details]

9. Administrative and Financial Arrangement

Q.34 Are the applicant welfare NGOs required to prepare financial reports? What are the specific requirements should be met?

- Successful applicant welfare NGOs are required to have a separate set of financial report(s) for each funded project;
- For projects involving matching grants above \$250,000 from the PFD and having duration of over 1 year, the welfare NGOs are required to submit annual financial reports. The final financial reports and annual financial reports, if any, should comply with all requirements and formats to be specified by SWD in the notification letters to the welfare NGOs;
- Successful applicant welfare NGOs are required to commission an external auditor to carry out an independent audit of the financial reports. The auditor shall be a certified public accountant (practising) or a corporate practice registered under the Professional Accountants Ordinance (Cap. 50). The welfare NGOs should agree with the auditor on the terms of the audit engagement and the agreed terms shall be recorded in an engagement letter;
- The engagement shall be an audit engagement and the auditor shall, among other things, express and opine, on:
 - whether the financial reports have been properly prepared from the

- books of accounts and in accordance with the requirements of the SWD in all material respects;
- whether all incomes of the project have been received and expenditures of the project been fully settled; and
 - whether the PFD grants and all business donations have been used for the purposes as specified in the applications;
- Successful applicant welfare NGOs should demonstrate in their final financial reports that they have used up all of the donations from the business corporations in the approved projects and the other income generated from the approved projects (including but not limited to service fees charged, fund raised, etc.), if any, before using the approved matching grants. Unless otherwise approved by SWD, any unspent sum of the matching grants at the end of the projects should be returned to the HKSAR Government. Besides, the welfare NGOs should maintain proper books of accounts, other accounting records for all transactions and all relevant records and information in relation to the projects. SWD or persons authorised by the HKSAR Government shall be allowed access to such books and records for verification and copying from time to time, and the welfare NGOs shall make them available for inspection upon request.

[Please refer to paragraph 6.2.1, 6.3.1 to 6.3.3 of Application Guide for details]

Q.35 Can applicant welfare NGOs perform virement of approved budget items?

- **Prior written approval from SWD should be obtained for any modification of the approved project content, duration and/or budget. All written modification requests must be submitted before project completion.** SWD reserves the right not to approve the project modification request;
- SWD reserves the rights to withhold any payment or request refund of the matching grant, or portion of the grant on pro-rata basis if the applicant NGOs terminated the projects pre-maturely, failed to deliver the project proposals as approved, or failed to obtain prior approval from SWD for any virement of the approved budget items; and
- The matching grants are one-off in nature and applicant welfare NGOs will have to absorb the financial consequences, if any, after using up the

grants from the PFD.

[Please refer to paragraph 1.3.1, 6.5.1 and 6.6.1 of Application Guide for details]

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