

FEES AND CHARGES

Programme Area/ FSA	CSSA Related	Nature of Fees & Charges	Fee Level as at 1 April 2016 (monthly fees unless otherwise stated)
1. Family and Child Welfare			
(a) Occasional Child Care Service in Pre-primary Institutions	X	Service charge	\$64 per full day \$32 per half day \$16 per 2 hours \$6.4 per meal
(b) Extended Hours Service in Pre-primary Institutions	X	Service charge	\$260 (5 hours a week) \$520 (10 hours a week) \$13 per hour
(c) Boys' Hostel	X	Residential fee	\$610
(d) Inter-country Adoption	X	Adoption fee	US \$1,580 per case
(e) Temporary Shelter/ Hostel for Street Sleepers	✓	Residential fee	\$1,420 (Note 1)

Annex 1 (2 of 9)

2. Social Security		NIL	
3. Elderly Services			
(a) Combined Home	✓	Residential fee	\$1,429*/\$1,506** for home for the aged place \$1,605*/\$1,813** for C&A place (Note 2)
(b) Care & Attention Home Providing Continuum of Care/ Conversion Home Providing Continuum of Care	✓	Residential fee	\$2,000 (Note 3)
(c) Nursing Home	✓	Residential fee	\$1,994
(d) Day Care Centre/ Unit for the Elderly	X	Transportation fee	\$30 (Note 1)
	✓	Service charge	\$901^/\$988^^ (with provision of meal service)
(e) Integrated Home Care Services	✓	Meal delivery fee (per meal)	\$12.6 for user's income at CSSA level or below \$15.4 for user's income level between CSSA to 1.5 CSSA level \$18.6 for user's income above 1.5 CSSA level
	✓	Laundry fee (per piece)	\$0.7 for light \$0.9 for medium \$1.8 for heavy

Annex 1 (3 of 9)

	✓	Fee for direct care, home making and escort service (per hour)	\$5.4 for user's income at CSSA level or below \$11.7 for user's income between CSSA to 1.5 CSSA level \$19 for user's income above 1.5 CSSA level
(f) Neighbourhood Centre for the Elderly	X	Membership fee	\$21 per annum
(g) District Elderly Community Centre	X	Membership fee	" ditto"
(h) 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			
(a) Hostel for Moderately MH Persons	✓	Residential fee	\$1,429*/\$1,506**

Annex 1 (4 of 9)

(b) Sheltered Workshop cum Hostel	✓	Residential fee	“ditto”
	X	Transportation Fee	\$174
(c) Hostel for Severely MH Persons	✓	Residential fee	\$1,605*/\$1,813**
(d) Hostel for Severely Physically Handicapped	✓	Residential fee	“ditto”
(e) Hostel for Severely Physically Handicapped with MH	✓	Residential fee	“ditto”
(f) C & A Home for Severely Disabled	✓	Residential fee	“ditto”
	✓	Day care service for persons with severe disabilities	\$55/\$60 (lunch included) per day \$998 per month
(g) C & A Homes for the Aged Blind	✓	Residential fee	\$1,605*/\$1,813**
(h) Long Stay Care Home	✓	Residential fee	“ditto”
(i) Day Activity Centre cum Hostel	✓	Residential fee	“ditto”
	X	Transportation Fee	\$174
(j) Halfway House Service for Discharged Mental Patients	✓	Residential fee	\$1,171

Annex 1 (5 of 9)

(k) Supported Hostel	✓	Residential fee	\$853*/\$932**
(l) 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
(m) Social & Recreational Centre for Disabled	X	Membership fee	\$21 per annum
(n) Early Education and Training Centre	X	Membership fee	\$146 per annum
(o) Special Child Care Centre	X	Service charge	\$354
	X	Transportation Fee	\$87
	X	Residential fee	\$402 (5 days a week) \$534 (7 days a week)
(p) Parents/ Relatives Resource Centre for Disabled Persons, Parents/ Relatives Resource Centre for Ex-mentally Ill Persons	X	Membership fee	\$21 per annum

Annex 1 (6 of 9)

(q) District Support Centre for Persons with Disabilities	✓	Home visit by physiotherapist / occupational therapist	\$51 per visit
	✓	Centre-based care and support service	\$5 per hour
	✓	Home-based care and support service (including escort service)	\$33 per hour
	✓	Day care service for persons with severe disabilities	\$60 per day / \$988 per month
	X	Membership fee	\$21 per annum
	X	Transportation fee	\$10 per trip
(r) Community Rehabilitation Day Centre	✓	Rehabilitation Training Service	\$60# / \$100## per session
	✓	Home visit by physiotherapist/ occupational therapist	\$100# / \$150## per visit
	X	Day respite care (lunch not included)	\$60# / \$100## per day
	✓	Transportation fee	\$10# / \$15## per trip
	✓	Day care service for persons with severe disabilities	\$60 per day / \$988 per month
(s) Commercial- hired Transport Service for People with Disabilities	X	Transportation Fee	\$174

Annex 1 (7 of 9)

(t) Halfway House Service for Ex-drug Abusers	X	Residential fee	\$13 per day (Note 1)
(u) Centre for Drug Counselling (Caritas Lok Heep Club)	X	Membership fee	\$10 per annum for member (Note 1) \$50 per annum for associate member
(v) Non-medical Voluntary Drug Treatment & Rehabilitation	✓	Residential fee	\$2,256 (Note 1)
(w) Day Activity Centre	X	Transportation fee	\$174
(x) Transitional Care and Support Centre for Tetraplegic Patients	✓	Residential fee	\$1,813
	✓	Residential respite care	\$80 per day
	✓	Ambulatory day training	\$60 per session
	✓	Transportation fee	\$10 per trip
(y) Home Care Service for Persons with Severe Disabilities	✓	Personal care, escort service and home respite service	\$33 per hour
	✓	Rehabilitation training service	\$33 per hour
	✓	Nursing care (by health worker)	\$33 per visit
	✓	Home visit by physiotherapist/occupational therapist	\$51 per visit
	✓	Home visit by nurse	\$42 per visit
	✓	Full package of service (ceiling charges)	\$988 per month

Annex 1 (8 of 9)

(z) Integrated Vocational Training Centre (Residential)	✓	Residential fee	\$750 per month (5 days residence a week with meals)
			\$1,050 per month (7 days residence a week with meals)
(aa) Integrated Support Service for Persons with Severe Physical Disabilities	✓	Personal care, escort service and home respite service	\$33 per hour
		Rehabilitation training service	\$33 per hour
		Nursing care (by health worker)	\$33 per visit
		Home visit by physiotherapist/ occupational therapist	\$51 per visit
		Home visit by nurse	\$42 per visit
		Full package of service (ceiling charges)	\$988 per month

Annex 1 (9 of 9)

5. Services for Offenders			
Services for Ex-offenders and Discharged Prisoners - <i>Hostel for Ex-offenders</i>	X	Residential fee	\$39 per day (Note 1)
6. Community Development			
Community Centre	X	Membership fee	\$29 per annum
7. Young People			
(a) Children and Youth Centre	X	Membership fee	\$29 per annum
(b) Integrated Children and Youth Services Centre	X	Membership fee	“ditto”
8. Others			
(a) Integrated Services - <i>Integrated Centre</i>	X	Membership fee	\$29 per annum (Note 1)

Notes:

1. It is for subvention calculation purpose only.
 2. Home for the aged place is charged at \$2,306 for a couple.
 3. Conversion Home Providing Continuum of Care is required to convert their self-care (S/C) places and/or home for the aged (H/A) places together their existing care-and-attention (C&A) places into long term care places providing a continuum-of-care. The fee for S/C place, H/A place and C&A place remains applicable to those service users having not yet taken up the long term care places. S/C place is charged at \$502 for a single person and \$917 for a couple. H/A place is charged at \$1,429 for 50% disabled single person, \$1,506 for 100% disabled person/Disability Allowance recipient, and \$2,306 for a couple. C&A place is charged at \$1,605 for 50% disabled single person and \$1,813 for 100% disabled person/ Disability Allowance recipient.
- * The rate is for 50% disabled adult or single elderly.
- ** The rate is for 100% disabled adult/ Disability Allowance recipient.
- ^ The rate is for 50% disabled elderly persons or elderly persons receiving Old Age Living Allowance or single elderly persons.
- ^^ The rate is for 100% disabled elderly persons or elderly persons receiving Disability Allowance.
- # The rate is for family income at or below Median Monthly Domestic Household Income.
- ## The rate is for family income above Median Monthly Domestic Household Income.

Annex 2 (1 of 2)**SUBVENTED ACTIVITIES NOT INCLUDED IN
LUMP SUM GRANT (LSG)**

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** :

1. Dementia Supplement for Elderly with Disabilities;
2. Infirmary Care Supplement for the Aged Blind Persons;
3. Dementia Supplement for Residential Elderly Services;
4. Infirmary Care Supplement for Residential Elderly Services;
5. Dementia Supplement for Day Care Centres/ Units for the Elderly;
6. Foster Care Allowance/ Emergency Foster Care Allowance;
7. After School Care Programme;
8. Temporary Financial Aid;
9. Emergency Fund;
10. Time-defined Subsidy Scheme for Extended Hours Service Users;
11. Training Subsidy under Training Scheme for Child Care Supervisors and Special Child Care Workers in Pre-school Rehabilitation Services;
12. Short-term Rental Assistance (under the Services for Ex-offenders and Discharged Prisoners);
13. Allowances for Specific Services Arising from the Implementation of the Minimum Wage Ordinance;
14. Neighbourhood Support Child Care Project (NSCCP) Contract Subsidy;
15. NSCCP Fee Subsidy;
16. NSCCP Rent and Rates;
17. Training Sponsorship Scheme for Master in Occupational Therapy and Master in Physiotherapy programmes of the Hong Kong Polytechnic University;

Annex 2 (2 of 2)

18. Training Subsidy Programme for Children on the Waiting List for Subvented Pre-school Rehabilitation Services;
19. Financial Incentive Scheme for Mentors of Employees with Disabilities;
20. Cash Subsidy for Integrated Support Service for Persons with Severe Physical Disabilities;
21. Time-defined Subsidy Scheme for Occasional Child Care Service;
22. Enhanced After School Care Programme;
23. Navigation Scheme for Young Persons in Care Services – Operating Expenses; and
24. Navigation Scheme for Young Persons in Care Services – Training Cost.

Annex 3 (1 of 2)

**Schedule for Investment
Analysis of Investment as at 31 March (Year)**

NGO: _____

	Year 2 HK\$'000	Year 1 HK\$'000
LSG Reserve as at 31 March	<u>AA</u>	<u>BB</u>
Represented by :		
Investments		
a. HKD Bank Account Balances	x	x
b. HKD 24-hour Call Deposits	x	x
c. HKD Fixed Deposits	x	x
d. HKD Certificate of Deposits	X	x
e. HKD Bonds (see Annex 3 (2 of 2) for breakdown)	CC	x
	<u>AA</u>	<u>BB</u>

Note : The investments should be reported at historical cost.

Confirmed by :

Signature: _____

Chairman: _____

Date: _____

Signature: _____

NGO Head/

Head of Social

Welfare

Services: _____

Date: _____

Annex 3 (2 of 2)

Schedule for Investment
Detailed Analysis of Bonds/ Notes as at 31 March (Year)

NGO: _____

Investment in HK\$ Bonds/ Notes

	Issuer	Nominal Amount HK\$	Cost of Acquisition HK\$ (Note)	Maturity Date	Coupon % p.a.	Effective Yield % p.a.	Credit Rating	Custodian Bank
1		xx	xx					
2		xx	xx					
3		xx	xx					
4		xx	xx					
	Total	xxx	CC					

(Note): The amount will be reduced in accordance with the proportion of the disposal of the investment

Annex 4 (1 of 4)**CHART OF ACCOUNTS**

1. The Chart of Accounts is to facilitate NGO's accounting at subvented service unit and organisation level.
2. 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 Snapshot Staff (Note 1)
- b. Provident Fund for 6.8% Posts (Note 2)
- c. Salaries and Other Charges

2. Special One-off Grant**3. Fee Income****4. Central Items**

There should be a separate account for each Central Item. The list of Central Items (as may be updated) is set out in **Annex 2** and an updated list is available on the homepage of SWD.

5. Subvention for Rent and Rates

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

6. Other Income

- a. Programme income
- b. Donation
- c. Income from Other Activities

Annex 4 (2 of 4)

- d. Staff Reimbursement

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

- a. Salaries
- b. Provident Fund Contributions
 - (i) Provident Fund for Snapshot 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

Annex 4 (3 of 4)

- g. Programme Expenses
- 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)

There should be a separate account for each Central Item. The list of Central Items (as may be updated) is set out in **Annex 2** and an updated list is available on the homepage of SWD.

4. Rent and Rates**C. RESERVE FUND****1. Reserve from LSG (except PF)****2. Provident Fund Reserve**

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

Notes

Note 1 : **Snapshot 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.

Annex 4 (4 of 4)

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 personal emoluments and other charges should be charged to respective Central Item account as listed above.

Annex 5 (1 of 7)**ANNUAL FINANCIAL REPORT**

NGO: _____

(1 April 2016 to 31 March 2017)

	Notes	2016-17 \$	2015-16 \$
A. INCOME			
1. Lump Sum Grant			
a. Lump Sum Grant (excluding Provident Fund)	1b	A	
b. Provident Fund	1c	B	
2. Special One-off 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		<u>I</u>	<u> </u>
B. EXPENDITURE			
1. Personal Emoluments			
a. Salaries		J	
b. Provident Fund	1c	K	
c. Allowances		L	
Sub-total	6	<u>M</u>	<u> </u>
2. Other Charges	7	N	
3. Central Items	3	O	
4. Rent and Rates	4	P	
5. Special One-off Grant Payments	7a	<u>Q</u>	<u> </u>
TOTAL EXPENDITURE		<u>T</u>	<u> </u>
C. SURPLUS/ (DEFICIT) FOR THE YEAR	8	<u>U</u>	<u> </u>

The Annual Financial Report from pages [x] to [x] has been prepared in accordance with the requirements as set out in the Lump Sum Grant Manual.

SIGNATURESIGNATURECHAIRMANNGO HEAD/ HEAD OF SOCIAL WELFARE SERVICES

DATE:

DATE:

Annex 5 (2 of 7)

NOTES ON THE ANNUAL FINANCIAL REPORT

1. Lump Sum Grant (LSG)

- a. Basis of preparation** The Annual Financial Report (AFR) is prepared in respect of all Funding and Service Agreement (FSA) activities (including support services to FSA activities) funded by the Social Welfare Department under the Lump Sum Grant Subvention System. AFR is prepared **on cash basis**, that is, income is recognised upon receipt of cash and expenditure is recognised when expenses are paid. **Non-cash items** such as depreciation, provisions and accruals are **not included** in the AFR.
- b. Lump Sum Grant (excluding Provident Fund)** This represents LSG (excluding Provident Fund) received for the year.
- c. Provident Fund** This is Provident Fund received and contributed during the year. Snapshot staff are defined as those staff occupying recognised or holding against subvented posts as at 1 April 2000. 6.8% and other posts represent those staff that are employed after 1 April 2000.
*Please note that the Provident Fund received and contributed for staff under the Central Items should be shown under 3. In other words, such Provident Fund should **not** be included here (paragraph 3.13).^{Remark}*
Details are analysed below :

<u>Provident Fund Contribution</u>	Snapshot Staff	6.8% and Other Posts	Total
	\$	\$	\$
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 LSG Manual.

Remark : The words in italic are for NGOs' information and should not be included in the AFR.

Annex 5 (3 of 7)

- 3. Central Items** These are subvented service activities which are not included in LSG and are subject to their own procedures as set out in other SWD's papers and correspondence with the NGOs.

The Provident Fund received and contributed for staff under the Central Items should be separately included as part of the income and expenditure of the relevant items (paragraph 3.14).^{Remark}

The income and expenditure of each of the Central Items are as follows:

	2016-17	2015-16
a. Income	\$	\$
<i>Please list the Central Items individually, for example.^{Remark}</i>		
Dementia Supplement for Elderly with Disabilities		
Infirmary Care Supplement for the Aged Blind Person		
Dementia Supplement for Residential Elderly Services		
Total	<u>E</u>	<u>E</u>
	2016-17	2015-16
b. Expenditure	\$	\$
<i>Please list the Central Items individually, for example.^{Remark}</i>		
Dementia Supplement for Elderly with Disabilities		
Infirmary Care Supplement for the Aged Blind Person		
Dementia Supplement for Residential Elderly Services		
Total	<u>O</u>	<u>O</u>

Annex 5 (4 of 7)

- 4. Rent and Rates** This represents the amount paid by SWD in respect of premises recognised by SWD. *Expenditure on rent and rates in respect of premises not recognised by SWD should not be included in AFR.* ^{Remark}
- 5. Other Income** This includes programme income and all income other than recognised social welfare fee income received during the year. Non-SWD subventions and donations received need not be included as Other Income in AFR. In this respect, donations should be included if it is used to finance expenditure reflected in the AFR. However, treatment of fees and charges as specified under paragraphs 2.28 to 2.29 of the Manual remains unchanged (paragraph 3.9).

The breakdown on Other Income (paragraph 2.29) is as follows:

	2016-17	2015-16
	\$	\$
Other Income		
(a) Fees and charges for services incidental to the operation of subvented services		
(b) Others		
Total	<u>G</u>	<u></u>

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

The analysis on number of posts with annual Personal Emoluments over \$700,000 each paid under LSG is appended below:

Analysis of Personal Emoluments paid under LSG	No of Posts	\$
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\$1,000,001 - HK\$1,100,000 p.a.		
HK\$1,100,001 - HK\$1,200,000 p.a.		
>HK\$1,200,000 p.a.		

Annex 5 (5 of 7)**7. Other Charges**

The breakdown on Other Charges is as follows:

	2016-17	2015-16
Other Charges	\$	\$
(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	<u><u>N</u></u>	<u><u></u></u>

7a. Special One-off Grant Payments

Details of Special One-off Grant Payments are as follows:

	2016-17	2015-16
Special One-off Grant Payments	\$	\$
(a) Voluntary Retirement Scheme		
(b) Compensation Scheme		
(c) Staff Training and Development		
(d) Other Staff-related Initiatives		
Total	<u><u>Q</u></u>	<u><u></u></u>

Annex 5 (6 of 7)

8. Analysis of Lump Sum Grant Reserve and balances of other SWD subventions

	Lump Sum Grant (LSG)	Special One-off Grant (SOG)	Rent and Rates	Central Items	Total
	\$	\$	\$	\$	\$
Income					
Lump Sum Grant	A+B	-	-	-	A+B
Special One-off Grant	-	C	-	-	C
Fee Income	D	-	-	-	D
Other Income	G	-	-	-	G
Interest Received (Note (1))	H	-	-	-	H
Rent and Rates	-	-	F	-	F
Central Items	-	-	-	E	E
Total Income (a)	x	x	x	x	I
Expenditure					
Personal Emoluments	M	-	-	-	M
Other Charges	N	-	-	-	N
Rent and Rates	-	-	P	-	P
Central Items	-	-	-	O	O
Special One-off Grant Payments	-	Q	-	-	Q
Total Expenditure (b)	x	x	x	x	T
Surplus/(Deficit) for the Year (a) - (b)	x	x	x	x	U
Less : Surplus/ (Deficit) of Provident Fund	R	-	-	-	R
Surplus/ (Deficit) b/f (Note (2))	x	x	x	x	X
Less : Refund to Government	(x)	(x)	(x)	(x)	(X)
Transfer from LSG Reserve to cover the salary adjustment for Dementia Supplement and Infirmary Care Supplementary (Note (3))	(x)	-	-	x	-
Surplus/ (Deficit) c/f (Note (4))	S	x	x	x	X

Notes:

- (1) Interest received on LSG and Provident Fund reserves, rent and rates, central items, Special One-off Grant should all be included as one item under LSG; and the item is considered as part of LSG reserve.

Annex 5 (7 of 7)

- (2) Accumulated balance Lump Sum Grant Surplus b/f from previous years (including holding account) and all interest received in previous years should be included in the surplus b/f under LSG.
- (3) Amount of LSG Reserve used to cover the salary adjustment for Dementia Supplement and Infirmity Care Supplement, if any, as per **Annex 6**.
- (4) The level of LSG cumulative reserve (i.e. **S**), less LSG Reserve kept in the holding account, will be capped at 25% of the NGO's **operating expenditure** (excluding Provident Fund expenditure) for the year.

Annex 6 (1 of 2)

Schedule for Central ItemsAnalysis of Subvention and Expenditure for the Period from _____ to _____

Name of NGO: _____

Unit Code and Name (Note 7)	Subvented Element	Subvention Released (Note 1)	Actual Expenditure (Note 2)	Surplus (Note 3) (a)	Deficit for the Year			Surplus b/f (Note 5) (e)	Surplus c/f (Note 6) (f)=(e)+(a)-(d)
					Deficit (Note 3) (b)	Deficit transferred to LSG (Note 4) (c)	Adjusted Deficit (d) = (b) - (c)		
nnnn - xxxxxxxxxxxx	Please list the Central Items individually, for example: Dementia Supplement for Elderly with Disabilities	\$	\$	\$	\$	\$	\$	N.A.	N.A.
nnnn - xxxxxxxxxxxx	Infirmary Care Supplement for the Aged Blind Persons							N.A.	N.A.
nnnn - xxxxxxxxxxxx	Dementia Supplement for Residential Elderly Services							N.A.	N.A.
nnnn - xxxxxxxxxxxx	Infirmary Care Supplement for Residential Elderly Services							N.A.	N.A.
nnnn - xxxxxxxxxxxx	Dementia Supplement for Day Care Centres/ Units for the Elderly					N.A.		N.A.	N.A.
TOTAL									

Notes :

1. The figures for the whole financial year can be extracted from the payroll for March (Final) of the financial year.
2. Actual expenditure represents the total expenditure incurred including provident fund for the respective services after netting off programme income, if any.
3. Surplus/ Deficit for each element represents the difference between subvention released and actual expenditure.
4. Deficit i.r.o. the following central items arising from salary adjustment can be transferred to the Lump Sum Grant Reserve as stated in the relevant letter issued by SWD.
 - (i) Dementia Supplement for Elderly with Disabilities
 - (ii) Infirmary Care Supplement for the Aged Blind Persons
 - (iii) Dementia Supplement for Residential Elderly Services
 - (iv) Infirmary Care Supplement for Residential Elderly servicesFor items other than those listed above, please insert "N.A.".
5. "Surplus brought forward (b/f)" means surplus, if any, arising from operations in previous years.
6. "Surplus carried forward (c/f)" means surplus brought forward plus surplus, if any, arising from operations in current year.
7. Unit codes and names assigned by SWD should be filled, if available.
8. As the above schedule may not be exhaustive in content, any relevant details in respect of central items released and/or expended during the year may also be included, where appropriate.

Annex 7

Schedule for Rent and Rates
Analysis of Subvention and Expenditure for the period from _____ to _____

Name of NGO: _____

Unit Code and Name	Subvented Element	Subvention Released (Note 1) \$	Actual Expenditure \$	Surplus (Note 2) \$	Deficit (Note 2) \$
A001-XX	Rent (Note 3) Rates				
	<i>Total</i>				
A002-XX	Rent Rates				
	<i>Total</i>				
A003-XX	Rent Rates				
	<i>Total</i>				
A004-XX					
	Grand Total				

Notes:

1. The figures are to be extracted from the payroll for March plus subvention released in late March of the financial year. Reimbursement for rent and rates relating to previous financial year(s) (i.e. back payments) should not be included.
2. Surplus/ Deficit for each element represents the difference between subvention released and actual expenditure.
3. Rent includes all kinds of rent such as PHE rental, private rental, carpark rent, management fee, building maintenance fee and Government Rent.

Annex 8 (1 of 23)**INTERNAL CONTROL**

1. Internal control is fundamental to sound and prudent financial management. A sound system of internal control helps to provide reasonable assurance that an organisation will avoid being hindered in achieving its objectives, or in the orderly and legitimate conduct of its business, by circumstances that may reasonably be foreseen. Advice on internal control is set out in this Annex and covers :

- (1) Revenue Collection and Receipt
- (2) Safe Custody of Cash, Cheque and Valuables
- (3) Bank Account and Cheque
- (4) Petty Cash
- (5) Payment
- (6) Programme Income and Expenses
- (7) Fixed Assets
- (8) Accounting Records and Financial Reports
- (9) Procurement

2. 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 initialed 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

Annex 8 (3 of 23)

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 **Appendix 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 NGO, 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 **Appendix 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 initialed 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 initialed by the supervisors in the daily collection summary.

Annex 8 (4 of 23)**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 Collection Control Sheet is attached at **Appendix 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 organisation'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.

Annex 8 (6 of 23)**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 organisation/ 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 (**Appendix H**), and their issue must be controlled by recording the recipient's name, signature and date.

Annex 8 (8 of 23)

- (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 **Appendix 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 and date 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.

Annex 8 (10 of 23)**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 NGO/ 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 NGO'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 EMOLUMENTS)****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;

Annex 8 (12 of 23)

- (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 initialed/ 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.

Annex 8 (13 of 23)

- (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 EMOLUMENTS**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”.

Annex 8 (14 of 23)**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.

Annex 8 (15 of 23)**(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 **Appendix E**.
- (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 **Appendix F**.
- (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;

Annex 8 (17 of 23)

- (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 **Appendix 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/ scrapping 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;

Annex 8 (20 of 23)

- (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 traveling;
- (f) loans of directors and employees, and inter-organisation 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 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;

Annex 8 (22 of 23)

- (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, the 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.

Annex 8 (23 of 23)**(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.

Appendix A to Annex 8

Register of Official Receipt Book

New receipt books						Completed/ obsolete receipt books	
Received			Issued			Date of Return	Signature of custodian
Date	Serial Number		Date	Serial Number			
	From	To		From	To		

Appendix B to Annex 8

Daily Collection Summary

Serial No. : _____

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

Preparing Officer : _____

Date : _____

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

Checking Officer : _____

Date : _____

Appendix C to Annex 8 (2 of 2)

COLLECTION 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
			*		*		*				*		*
			*		*		*				*		*
			*		*		*				*		*
			*		*		*				*		*
			*		*		*				*		*
			*		*		*				*		*
			*		*		*				*		*
			*		*		*				*		*
			*		*		*				*		*
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)

Appendix D to Annex 8

Specimen of Bank Reconciliation Statement

	\$
Balance per Bank Statement as at DD/MM/YY (month end)	X
<u>Less:</u> <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	(X)
<hr style="width: 100px; margin-left: 0;"/>	
Income credited not yet taken up in Cash Book	(X)
<u>Add:</u> Payments made by autopay not yet recorded in Cash Book	X
Income received not yet banked	X
<hr style="width: 100px; margin-left: 0;"/>	
Balance per Cash Book as at DD/MM/YY (month end)	X
	<hr style="width: 100px; margin-left: 0;"/>

*Follow-up
action
required*

Prepared by : _____ Date : _____

Reviewed by : _____ Date : _____

Appendix E to Annex 8

Sample of Programme Financial Report

Programme Code : _____

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

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

<u>Actual Programme Income</u>	<u>Amount (\$)</u>
Programme Fee Income (\$) X _____ (no. of participants per attendance record)	
	Total Income (b):
Actual Surplus/ (Deficit)	(b) – (a)
	Total:

<u>Advance</u>	<u>Amount (\$)</u>
Cash	
Cheques (CHQ No.: _____)	
	Total Advance :
	<i>Less : Total Expenses :</i>
	Surplus to be refunded/ (Deficit to be reimbursed) :

Prepared by : _____ Date : _____

Checked by : _____ Date : _____

Refund received by : _____ Date : _____

Reimbursement received by : _____ Date : _____

Appendix F to Annex 8**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 Expenses (a):	

Budgeted Programme Income	Amount (\$)
Programme Fee Income (\$) _____ x (no. of participants)	
Total Income (b) :	
Budgeted Surplus/ (Deficit)	(b) – (a)

Amount of Advance :

Cash \$ _____ (Payment Voucher No. _____)

Cheque \$ _____ (Cheque. No. _____)

(Payment Voucher No. _____)

Prepared by : _____ Date : _____

Checked by : _____ Date : _____

Advanced received by: _____ Date : _____

Appendix G to Annex 8

Fixed Asset Register

Fixed Asset Label No.	Description	Location	Additions			Disposal		
			Date	Amount (\$)	Source of Fund	Date	Reason	Approval Reference

Appendix H to Annex 8**Cheque Book Register**

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

Annex 9 (1 of 4)**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, the Social Welfare Department (SWD) and subvented non-governmental organisations (NGO) have jointly introduced a Service Performance Monitoring System (SPMS) that was 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). Please refer to the Service Performance Monitoring System Performance Assessment Manual for details, which is available at the homepage of SWD (http://www.swd.gov.hk/doc/ngo/per_ass_man.pdf).

FUNDING AND SERVICE AGREEMENTS

3. An 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. The sample FSAs of various service types are available at the homepage of SWD–

http://www.swd.gov.hk/en/index/site_ngo/page_serviceper/sub_listo_ffsas

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.

Annex 9 (2 of 4)

5. The SWD may immediately terminate the FSA upon the occurrence of any of the following events –

- (a) the Service Operator has engaged or is engaging in acts or activities that are likely to constitute or cause the occurrence of offences endangering national security or which would otherwise be contrary to the interest of national security;
- (b) the continued engagement of the Service Operator or the continued performance of the FSA is contrary to the interest of national security; or
- (c) the SWD reasonably believes that any of the events mentioned above is about to occur.

SERVICE QUALITY STANDARDS

6. Service quality is one of the performance standards used in assessing a service unit. The 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.

7. There are 16 SQSs, each of which is elaborated by a set of Criteria and Assessment Indicators. They are generic descriptions of the basic requirements so as to enable service operators to have appropriate methods tailor-made for a certain service type or a particular service unit in meeting the SQS requirements. Please refer to the 16 SQSs and criteria for details, which are available on the homepage of SWD –

Annex 9 (3 of 4)

[http://www.swd.gov.hk/doc/ngo/_SQSs%20and%20Criteria%20\(Dec%202001\)\(Eng\).pdf](http://www.swd.gov.hk/doc/ngo/_SQSs%20and%20Criteria%20(Dec%202001)(Eng).pdf)

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 Subventions Section 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 an NGO on each service unit regarding its performance on output standards and/or outcome standards;
- (b) annual self-assessment conducted by an NGO on each service unit regarding compliance with SQSs, essential service requirements and achievement of planned targets;
- (c) review visit (RV) in selected service units for each NGO once every three years for ascertaining compliance with the output standards and/or outcome standards, SQSs and essential service requirements and meeting the service objectives of the programme areas; and
- (d) on-site assessment of new service units and other units with identified/ suspected problem areas in service performance.

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 RV.

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.

13. As recommended by the Lump Sum Grant Independent Review Committee, on top of conducting more service performance inspections by means of RV, the SPMS has been enhanced through the introduction of surprise visits (SVs) which are basically unannounced RVs to some selected service units to ascertain their compliance with various performance standards as stipulated in the FSA and systematically to collect service users' feedback at the visits.

Annex 10

**Remuneration Packages for Staff in the Top Three Tiers
of Subvented Non-governmental Organisations
Self Assessment Report
for the Reporting Year of 2015-16 (SAMPLE)**

To: Director of Social Welfare
(Attn: Subventions Section)
38/F, Sunlight Tower,
248 Queen's Road East
Wan Chai, Hong Kong

Fax No.: 2575 6537

[Please return this completed Form to SWD by 31 October of each reporting year]

Name of NGO: _____

1. The average subventions¹ which my organisation received from Social Welfare Department (SWD) during the past four years from 2011-12 to 2014-15 (excluding the reporting year) amount to \$_____ which represents _____ % of the average operating income of my organisation within the same period. The details are listed as follows -

Year (the four years before the reporting year)	Subventions and Subsidies Received from SWD (round up to dollar) \$	Operating Income of the Organisation ² (round up to dollar) \$
2011-12	(a)	(aa)
2012-13	(b)	(bb)
2013-14	(c)	(cc)
2014-15	(d)	(dd)
Average: (e) = [(a)+(b)+(c)+(d)] / 4 (f) = [(aa)+(bb)+(cc)+(dd)] / 4	(e)	(f)
Average annual subventions / Average annual operating income [(e) / (f) × 100%]	%	

2. I declare that for this reporting year, my organisation **is/ is not*** exempt from conducting an annual review of my staff in the top three tiers according to the Guidelines for Monitoring of Remunerations of Senior Executives in Subvented Bodies.

Contact Person : _____
Title : _____
Tel. : _____

Signature of Chairperson : _____
Name : _____
Tel. : _____
Date : _____

**Delete as appropriate*

¹ "Subventions and Subsidies" broadly cover all payments from SWD to a subvented NGO including recurrent subventions under LSG/conventional subvention mode, Lotteries Fund, Social Welfare Development Fund, other project funds and payments from SWD to the NGO, but excluding other payment for welfare services (formerly known as "hire of services").

² Operating income of the organisation should tally with the corresponding figure in the audited financial statements of the organisation as a whole.

Annex 11 (1 of 6)

**Remuneration Packages for Staff in the Top Three Tiers
of Subvented Non-governmental Organisations**

Review Report for the Reporting Year of 2015-16 (SAMPLE)

(to be completed if not exempt from the Government Guidelines)

To: Director of Social Welfare
(Attn: Subventions Section)
38/F, Sunlight Tower,
248 Queen's Road East
Wan Chai, Hong Kong

Fax No. : 2575 6537

[Please read the explanatory notes before completing this proforma. The completed proforma should reach SWD by 31 October of each reporting year.]

Part A: Remuneration Packages

Information of my staff in the top three tiers -

(1) Staff of 1st Tier¹

(a) Number of staff

(b) Rank

(c) Post

Total annual staff costs²

(including those not under

SWD subventions, if

(d) applicable \$

[1(d) should be equal to or

greater than 1(e)]

(round up to dollar)

Total annual staff costs

(e) under SWD subventions \$

[1(e)=1(g)(i)+(ii)+(iii)+(iv)]

(round up to dollar)

(f) Please specify the months covered if (1)(e) was not incurred for the full year: _____ months

Annex 11 (2 of 6)

(g) Breakdown of (1)(e)

(i) Salary ³		\$
(ii) Provident Fund		\$
(iii) Cash Allowance ⁴ (please specify if any)	\$
(iv) Non-cash based Benefits ⁵ (please specify if any)	\$

(2) Staff of 2nd Tier ¹

(a) Number of staff

(b) Rank

(c) Post

(d) Total annual staff costs ² (including those not under SWD subventions, if applicable)*[2(d) should be equal to or greater than 2(e)]*

\$

(round up to dollar)

(e) Total annual staff costs under SWD subventions

[2(e)=2(f)(i)+(ii)+(iii)+(iv)]

\$

(round up to dollar)

(f) Breakdown of (2)(e)

(i) Salary ³		\$
(ii) Provident Fund		\$
(iii) Cash Allowance ⁴ (please specify if any)	\$
(iv) Non-cash based Benefits ⁵ (please specify if any)	\$

(3) Staff of 3rd Tier ¹

(a) Number of staff

Annex 11 (3 of 6)

- (b) Rank _____
- (c) Post _____
- (d) Total annual staff costs ² (including those not under SWD subventions, if applicable) \$ _____
 [3(d) should be equal to or greater than 3(e)] (round up to dollar)
- (e) Total annual staff costs under SWD subventions \$ _____
 [3e=3(f)(i)+(ii)+(iii)+(iv)] (round up to dollar)
- (f) Breakdown of (3)(e)
- (i) Salary ³ \$ _____
- (ii) Provident Fund \$ _____
- (iii) Cash Allowance ⁴ (please specify if any) \$ _____
- (iv) Non-cash based Benefits ⁵ (please specify if any) \$ _____

Review for changes

	<u>2014 – 2015</u> (the year before)	<u>2015- 2016</u> (the reporting year)
(1) Total annual staff costs under SWD subventions in respect of the top three tiers	\$ _____	\$ _____

(2) Please tick and complete the following as appropriate to state the result of your review -

- I have reviewed the remuneration packages of the staff in the top three tiers and found no changes in their remuneration as compared with the preceding year.
- I have reviewed the remuneration packages of the staff in the top three tiers and found changes in their remuneration as compared with the preceding year. The tier(s) having changes and reasons for such changes are stated below -

Annex 11 (5 of 6)**Part B: Public Disclosure of the Review Report**

Our organisation *has disclosed / will disclose (*please specify* the commencement date: _____) the Review Report (only Part A) through one or more of the following channels and will make it available to the public upon request -

(*Please delete as appropriate.)

Channel of Disclosure	
<i>(Please tick as appropriate.)</i>	
<input type="checkbox"/>	Posting the information prominently on the notice board(s) at the Central Administration Unit/Head Office
<input type="checkbox"/>	Uploading the information to our website
<input type="checkbox"/>	Reporting the information in our Annual Report
<input type="checkbox"/>	Publishing the information through special circular(s), newsletter(s) or whatever means (please enclose the copy/copies for reference)

Part C: Declaration by Chairperson

I declare that the information as provided in Part A and Part B is correct.

Contact Person	:	_____	Signature of Chairperson	:	_____
Title	:	_____	Name	:	_____
Tel.	:	_____	Tel.	:	_____
Email	:	_____	Date	:	_____

Annex 11 (6 of 6)**Notes for Completing the Review Report on
Remuneration Packages for Staff in the Top Three Tiers
of Subvented Non-governmental Organisations**

- (1) The 1st tier staff is generally defined as the executive head of the NGO who is directly responsible to the NGO Board/ Management Committee, the 2nd tier staff as senior staff directly responsible to the executive head of the NGO, and the 3rd tier staff as senior staff directly responsible to the 2nd tier staff.
- (2) Total annual staff costs for a tier of staff are the total remuneration costs covering salary, provident fund, cash allowances and non-cash based allowances of all staff members of the tier incurred in the whole reporting year (i.e. from 1 April to 31 March under the reporting year).
- (3) Salary refers to the annual salary of respective staff for the whole reporting year, or the total salary of the employment period if the staff member is not employed for the whole reporting year.
- (4) Cash allowances such as responsibility allowance, housing allowance, hardship allowance, bonus, gratuity, overtime allowance, entertainment expenses, travelling expenses, etc.
- (5) Non-cash based Benefits include fringe benefits such as medical/ dental insurance, staff quarters, transportation and/or chauffer, professional indemnity insurance, etc.

Useful References on Corporate Governance and Prevention of Corruption

1. “Guide to Corporate Governance for Subvented Organisations” – by Efficiency Unit

1.1 To help sustain the public trust in subvented organisations, including welfare non-governmental organisations (NGOs) which receive public funds, and help them to assess the way in which they are discharging their duties and decide whether changes need to be made, the Efficiency Unit published this Guide in May 2010, providing user-friendly advice on good practice in corporate governance for all those responsible for management and oversight of subvented organisations.

1.2 With the new Companies Ordinance (Cap. 622) coming into effect in March 2014, there is now the second edition of the Guide rolled out in 2015. To implement effective governance practices with an innovative mindset, NGOs are advised to make reference to the Guide, which can be downloaded from the following website –

http://www.eu.gov.hk/en/reference/publications/guide_to_cg_for_s_o_2015.pdf

2. “Sample Code of Conduct for NGOs in Social Welfare Sector” – by the Independent Commission Against Corruption (ICAC) and the Hong Kong Council of Social Service

For NGOs’ governance and internal control to better live up to increasing public expectations, the ICAC and the Hong Kong Council of Social Service jointly promulgated this Sample Code in full and abridged versions in 2015 to facilitate individual NGOs to assimilate the relevant provisions into their existing codes, or adopt one if they have none. The Sample Code (in full and abridged versions) can be downloaded from the following websites respectively –

http://www.icac.org.hk/filemanager/en/Content_1031/board_members_and_staff.pdf

[http://www.icac.org.hk/filemanager/en/Content_1031/board_members_and_staff\(Abridged\).pdf](http://www.icac.org.hk/filemanager/en/Content_1031/board_members_and_staff(Abridged).pdf)

3. **“Best Practice Checklist Governance and Internal Control in Non-Governmental Organisations”**
– by the ICAC

Having previously issued the Best Practice Modules for NGOs in Prevention of Corruption in the early 2000s, the ICAC now compiled to consolidate the good systems and best practices of the well-run NGOs, which can be downloaded from the following website –

http://www.icac.org.hk/filemanager/en/Content_1031/ngo_e.pdf

4. **“Best Practice Checklist Strengthening Integrity and Accountability – Government Funding Schemes Grantee’s Guidebook”**

“Best Practice Checklist Management of Charities and Fund-Raising Activities”
– both by the ICAC

These two reference materials, which may be relevant to NGOs on how to plug corruption holes, are available at its website –

http://www.icac.org.hk/en/corruption_prevention_department/pt/nse/index.html

END