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## Chapter 6 School Finance Matters

### 6.1 Introduction

1. The autonomy and flexibility accorded to schools under school-based management encompass the use of moneys. Starting from 2000/2001 school year, the increased flexibility takes the form of the Operating Expenses Block Grant (OEBG), which gives schools greater control over their operating expenses in the achievement of school-based objectives. For aided IMC schools, it is disbursed in the form of Expanded Operating Expenses Block Grant (EOEBG).
2. The SMC is responsible for establishing a proper framework, putting in place formal procedures for financial planning, monitoring and evaluation of results, to ensure that the government subventions are applied in accordance with the ambits of the grants and the objectives and priorities outlined in the school plan. Schools are expected to exercise due care, diligence and economy to ensure that the expenditure does not exceed the approved budget and that funds are spent in the most cost-effective manner and in the best interests of student learning.
3. The management of financial resources should be guided by the principles of prudence and propriety. Proper checks and balances need to be established to safeguard the use of funds. For this purpose, schools have to give due regard to enhancing the accountability and transparency of their operations, which includes relating the school budget to the annual school plan and publishing the audited financial statement in the annual report. Furthermore, accounting and internal control systems and procedures should be developed to bring all income and expenditure into proper account, and there should be a mechanism for reporting to the various stakeholders on the use of funds.
4. This section gives an overview of the financial resources available to schools and highlights practices that facilitate the development of an appropriate framework for financial administration and control within schools. The recommended practices or procedures as described in the following paragraphs are not however meant to be exhaustive. Schools should always ensure that adequate internal control procedures are put in place having regard to their own circumstances.
5. Aided IMC schools should also read the [“Guide to Financial Management”](#).

## 6.2 School Revenue

### 6.2.1 Government subventions

1. In general, over 90% of the operating expenses of aided schools are met from government grants. Such a provision enables an aided school to provide education of a standard acceptable to the Permanent Secretary for Education (PSEd). Grants received by schools comprise the following:

2. **Recurrent Grants**, which include, inter alia

a. **Salaries Grants**

The grant consists of

- the approved salaries and allowances of the staff less the income from approved tuition fees of the school;
- the payment to supply staff substituting for staff on approved leave in accordance with the COA; and
- long service payment and severance payment in accordance with the Employment Ordinance.

This grant enables schools to pay salaries to the following categories of staff subject to the approved establishment

- all teaching staff;
- specialist staff;
- laboratory technicians and workshop teachers in secondary schools and special schools;
- non-teaching staff
  - excluding clerical and janitor staff in secondary schools
  - excluding clerical and janitor staff in primary schools and special schools which have opted for Administration Grant
  - excluding janitor staff in primary schools and special schools which have opted for the Revised Administration Grant

Please also refer to [EDBC013/2009 “Payment of Salaries Grant for Non-teaching Staff in Aided Schools”](#).

b. **Operating Expenses Block Grant (OEBG)**

- The OEBG covers most recurrent grants, except for the Salaries Grant and those disbursed on an actual claim or reimbursement basis.
- The OEBG comprises the General Domain and Special Domain, and their key features are as follows:

	<b>General Domain</b>	<b>Special Domain</b>
<b>Allocations of the constituent grants</b>	Can be flexibly deployed	Cannot be vired among constituent grants
<b>Use of surpluses</b>	Can be retained or deployed to top up expenditure of constituent grants in the Special Domain	Can be retained, but not deployed to meet other purposes, except for meeting the existing contractual obligation to the continued employment of the janitor/ clerical staff paid by Administration Grant/ Revised Administration Grant provided that the conditions set out in section 4.9 of the " <a href="#">OEBG User Guide</a> " are met.
<b>Retention of surplus</b>	Up to 12 months' provision of the OEBG	

- In exercising the funding flexibility, schools should ensure that the total expenditure is kept within the amount of the OEBG. Any deficit will have to be met by the school's own fund.
- Details of the constituent grants of OEBG & EOEBG are at Appendices 1 & 2 respectively.
- For more details, please refer to [EDBCM110/2009 "Operating Expenses Block Grant, Expanded Operating Expenses Block Grant and Composite Furniture and Equipment Grant for Aided Schools for the 2009/10 School Year"](#).

**c. Subsidies for employers' contribution to the Provident Funds**

- This grant covers the employers' contribution towards the two statutory provident funds for teaching staff as required under the Subsidized Schools Provident Fund Rules and the Grant Schools Provident Fund Rules, and also the contribution towards provident fund or occupational retirement schemes exempted from the Mandatory Provident Fund Schemes Ordinance (MPFSO) or in accordance with the provisions of the MPFSO for staff paid from the Salaries Grant and Administration Grant.
- Regarding the funding arrangements for retirement benefits of staff in the aided and caput schools after the introduction of the Mandatory Provident Fund Scheme in 2000, please refer to [EDBC048/2000 on "Funding of Retirement Benefits Upon Introduction of the Mandatory Provident Fund Scheme"](#).
- For the accounting arrangement, please refer to [EDBC020/2009 on "Payment and Accounting Arrangements for Subsidy for Employer's Contributions to Mandatory Provident Fund Schemes for staff who are funded by Salaries Grant"](#).

**d. Subsidy of rent, rates and Government rent**

The Government provides subsidy to eligible schools for the payment of rent, rates and Government rent in respect of premises used for school purposes. Procedures for the payment of subsidy are outlined in [EDBC014/2007 “Refund of Rates and Government Rent”](#).

**e. Composite Furniture and Equipment Grant**

With effect from the 2001/02 school year, previous recurrent and non-recurrent furniture and equipment grants have been combined to form the recurrent Composite Furniture and Equipment Grant. For details, please refer to:

- [EDBC002/2001A “Composite Furniture and Equipment Grant and Transition Furniture and Equipment Grant for Aided Schools”](#)
- [EDBCM110/2009 “Operating Expenses Block Grant, Expanded Operating Expenses Block Grant and Composite Furniture and Equipment Grant for Aided Schools for the 2009/10 School Year”](#)

**f. Passage Grant**

**g. Various cash grants to meet special education purposes**

**3. Non-recurrent Grants**

**a. Capital Cost for Building, Furniture and Equipment Grant**

- This grant covers the costs of the construction of new schools and extension to existing schools and the costs of fully furnishing and equipping the schools to the approved scales and standards.
- The costs of the construction of new schools and extension to existing schools will be borne by the Government and the costs of fully furnishing and equipping new schools in general will be borne by the sponsors. For school building and extension projects to meet the educational objectives of whole-day primary schooling and improvement of learning environment of school premises with sub-standard facilities, the costs for providing the required furniture and equipment will be borne by the Government.
- For special schools, the construction as well as the furniture and equipment costs are borne by the Government.

**b. Furniture and Equipment Grant**

- Furniture and Equipment grant is provided to schools for replacement and additional furniture and equipment items requiring a subsidy of not more than \$500,000 each and that is not covered by the recurrent Composite Furniture and Equipment Grant.
- Please refer to [EDBC008/2003 “Payment of Non-recurrent Furniture and Equipment Subsidy to Aided Schools”](#).

- c. **Grant for repairs, maintenance, minor improvements and emergency repairs**
  - For projects costing \$8,000 or above for SS and \$3,000 or above for primary schools, special schools, practical schools and skills opportunity schools, the grant is provided at a rate of 100% of the approved costs.
  - Fee-charging primary schools shall be eligible for a non-recurrent subsidy not exceeding 50% of the approved costs.
  - For details, please refer to [EDBC001/2010 “Revised Arrangement on Processing Emergency Repairs in Aided Schools”](#).
- d. **Removal Allowance**
- e. **Various one-off or initial grants for special projects/ initiatives**
- 4. **Settlement of claims**
  - a. Unless otherwise specified by EDB, schools' claims for payment of grants must be supported by valid and original documents such as demand notes, certified receipted bills, invoices, or original copies of architects' certificates.
  - b. Circular on year-end arrangements for claiming recurrent and non-recurrent grants will be issued to schools before the end of the financial year, normally in December or January. Supervisors and school heads are required to follow the arrangements strictly.
  - c. The ensuing paragraphs describe in brief the major grants provided to aided schools. Schools should refer to the COA and the relevant circulars issued by EDB for the terms and conditions of payment and for details of payment arrangements.

### 6.2.2 Other sources of school income

1. Other sources of school income and the conditions/ requirements for generating such income are summarized in the following table:
  - a. **School Fees**
    - No tuition fees to be charged from P1 to S3 in line with the policy of 9-year free and universal basic education
    - As announced in the 2007 Policy Address, free senior secondary education will be offered starting from the 2008/09 school year at S4 level and above.
    - Ex-aided/ ex-caput schools participating in the Direct Subsidy Scheme should also cease to collect school fees from their ex-aided/ ex-caput senior secondary students during the transition period.
    - For details, please refer to [EDBC006/2008 “Arrangements for Schools Fees and Tong Fai”](#).
  - b. **Subscriptions (Tong Fai)**
    - No subscriptions to be charged from P1 to S3 except with the permission of PSEd.

- Ceiling rate stipulated for S4 to S7.
- PSEd's approval is required for collection of subscriptions in excess of the ceiling rate.
- Planned use of Tong Fai and the actual expenditure should be made known to parents.
- For details, please refer to [EDBC006/2008 “Arrangements for Schools Fees and Tong Fai”](#).

**c. Collection of other charges**

- Collections within the approved list and approved ceilings at SMC' full discretion. Any fee collections or charges above the ceiling rates of those listed in Appendix 3 should have PSEd's approval.
- Aided schools with IMC should also refer to Sections 3.4, 6.2(iii) & 6.3(d) of the [“Guide to Financial Management”](#).

**d. Collections for specific purposes**

- Subject to parents' consent.
- Approval of PSEd not required for collection within the approved limit.
- Detailed procedures at Appendix 4.
- Aided schools with IMC should refer to Sections 3.4, 6.2(iii) & 6.3(d) of the [“Guide to Financial Management”](#).

**e. Fund-raising**

- For the purpose of R66 of the Education Regulations, PSEd has given schools the permission since September 1999 to conduct the following fund-raising activities:

Activities	Points to note
Raise funds for approved charitable institutions for trusts of a public character exempted from taxes under Section 88 of the Inland Revenue Ordinance.	<ul style="list-style-type: none"> <li>• Documentary proof of the status of these institutions should be obtained.</li> <li>• Schools should be satisfied that the organizers have obtained approval from respective competent authorities as appropriate.</li> <li>• Observe the accounting requirements stipulated in point 3 of Para. 6.5.2.</li> </ul>
Raise funds for organizations specifically approved by the PSEd under Regulation 66(1) of the Education Regulations.	<ul style="list-style-type: none"> <li>• Documentary proof of PSEd's approval should be obtained.</li> <li>• Schools should be satisfied that the organizers have obtained approval from respective competent authorities as appropriate.</li> <li>• Observe the accounting requirements stipulated in point 3 of Para. 6.5.2.</li> </ul>

Raise funds for own school purposes.	<ul style="list-style-type: none"> <li>• Obtain approval from respective competent authorities as appropriate.</li> <li>• Observe the accounting requirements stipulated in point 3 of Para. 6.5.2.</li> </ul>
Allow students to assist in fund raising activities outside school premises.	<ul style="list-style-type: none"> <li>• Obtain prior consent from parents.</li> <li>• Schools should be satisfied that the organizers have well planned-out safety measures.</li> <li>• For the arrangement of selling flags, please refer to Para. 3.9.3.</li> </ul>

- PSEd has also given permission to those approved charitable institutions or trusts of a public character exempt from taxes under Section 88 of the Inland Revenue (Cap. 112) for appealing to pupils for subscriptions and/ or making collection among pupils in schools. However, other organizations which intend to raise funds in schools must seek prior approval from PSEd. Approval from other competent authorities required, depending on the nature and form of activities. A reference list of related requirements at Appendix 5.
- Participation of students or donations by students in fund-raising activities must be on an entirely voluntary basis. In communication with parents, the intended purposes of the fund-raising activity should be explicitly specified and there must be no suggestion that there is any connection between a student's or an applicant's standing and the contributions the parents might make, nor should any particular amount be suggested. Schools are also reminded to observe the Prevention of Bribery Ordinance (Cap. 201) currently in force.

**f. Donations**

- Principles stipulated in relevant circulars to be adhered to
- PSEd's prior approval required for donations involving recurrent expenditure from government funds or school funds
- Acceptance of donation should be approved by SMC
- Schools are required to register details of all donations and record them in the School Report

**g. Hiring charges of school premises**

- Recommended rates stipulated in the [“Guidelines for Levying Charges and the Schedule of Recommended Charges for Hire of Accommodation in Aided Schools”](#).
- In general, no organisation should make use of the facilities in an aided school without being charged, as this represents a hidden subsidy to the organization.
- For details, please refer to [EDBC009/2005 “Hire of Accommodation in Aided Schools”](#).

2. Schools should comply with Part IX of the Education Regulations regarding “Fees and Collections”.

3. Transparency in school operation may require the involvement of parents, teachers, and students, where appropriate, in the following processes:
  - a. approval of the school budget and the school plan;
  - b. vetting proposals on fund-raising activities, trading operations and making collections, etc.; and
  - c. committee work overseeing the conduct of fund-raising activities, trading operations and collections, etc.
4. The fees certificate or approval letter or list of approved collections, if applicable, should be displayed at a prominent place on the school premises.
5. Funds in the Subscriptions Account or General Funds Account shall be expended to meet educational and school needs. The guiding principle in all decisions is that the interests of students must come first.

## 6.3 Trading Operations

1. In handling trading operations in aided schools, please refer to [EDBC024/2008 “Trading Operations in Schools”](#) and the [“Reference Materials on Trading Operations”](#) webpage.
2. Aided schools without IMCs should seek prior approval from PSEd for conducting trading operations. For IMC schools, trading operations should be approved by the IMC and the tendering procedures for acquisition of services as stipulated in the [EDBC015/2007 “Tendering and Purchasing Procedures in Aided Schools”](#) should be followed. IMC schools should also refer to Sections 3.3, 6.2(ii) & 6.3(a) of the [“Guide to Financial Management”](#).
3. In conducting trading operations, schools should observe the following fundamental principles:
  - a. No purchase or acceptance of paid services should be compulsory;
  - b. As a rule, schools should not solicit or accept donations or advantages in any form from trading operators/ suppliers;
  - c. Acceptance of donations or advantages from the trading operators/ suppliers should be considered only in very exceptional circumstances with justification of compelling reasons and should be approved by school management committees/ incorporated management committees;
  - d. The profits/ net income arising from trading operations should be applied for the purposes of directly benefiting the students of the schools as stipulated in the regulations 99A(3) and 99B(2) of the Education Regulations. Non-compliance of the regulations may lead to prosecution;
  - e. Profits/ Net income arising from trading operations should not be transferred to the respective parent-teacher associations or school sponsoring bodies; and
  - f. Schools should select the trading operators/ suppliers through competitive tender/ quotation exercises at regular intervals, preferably not exceeding three years.
4. Schools should also note the following points:
  - a. Items for the exclusive use of students in one particular school (e.g. items bearing special insignia) should be kept to the minimum.
  - b. Subject to sound educational practice, the total cost of items needed by students to pursue their course of study should be kept as low as possible.
  - c. For sale of textbooks, the financial burden upon parents should be reduced whenever possible, and no profit would be generated from sale of textbooks.
  - d. The profit from sale of exercise books, school uniforms, stationery, equipment and other items (other than textbooks) should be limited to 15% of the cost price at which they are purchased from the suppliers. The profit limit of 15% should also

cover paid services provided to students. The profits should be applied for the purposes of directly benefiting the students of the schools.

## 6.4 Procurement of goods and services

### 6.4.1 Guiding principles

In the spirit of school-based management, schools have been given the authority and autonomy to invite, vet and approve tenders. As the goods and services are procured out of public funds, the SMC is publicly accountable for the conduct of its affairs and related expenditure. The following principles shall be observed in all procurement processes:

1. The designated purpose(s) of each government grant must be met;
2. All procurement must be conducted on a fair and competitive basis;
3. The [“Guidelines on Tendering and Purchasing Procedures in Aided Schools”](#) must be observed and details are at Para. 6.4.2;
4. The accounting or reporting requirements as contained in the COA or circulars issued by EDB from time to time must be followed; and
5. Procured items (e.g. furniture and equipment) of the same category should be grouped in the same quotation/ tender schedule before inviting suppliers to bid. Schools should not evade the financial limits by dividing procurement requirements into instalments.

### 6.4.2 Tendering requirements

1. The SMC should establish formal tendering procedures for the procurement of goods and services so that the available resources are utilized to the best advantage, in accordance with the [“Guidelines on Tendering and Purchasing Procedures in Aided Schools”](#) attached to [EDBC015/2007 “Tendering and Purchasing Procedures in Aided Schools”](#). These guidelines are generally based on current government practices and are formulated in consultation with the Independent Commission Against Corruption.
2. Schools should note the following salient points in handling procurements:
  - a. Schools should conduct the procurement arrangements in accordance with the financial limits of purchases:

<b>Financial limits</b>	<b>Procurement arrangements</b>
\$5,000 or below	Competitive bidding not required if certified by a staff member at an appropriate rank that such purchases are essential and their prices are fair and reasonable
Above \$5,000 but below \$30,000	By oral quotations (at least two)
From \$30,000 to \$50,000	By written quotations (at least two)
Above \$50,000	By tenders (at least five)

- b. Schools are responsible for inviting, vetting and approving tenders and quotations.
- c. Schools should inform the suppliers in writing that it is an offence under the Prevention of Bribery Ordinance for them to offer advantages to school staff in connection with the latter's official duties.
- d. There should not be an evasion of the financial limits by dividing procurement requirements into instalments to bypass proper tender procedures.
- e. For single purchases exceeding \$50,000, separate tenders should be sought from at least five suppliers normally selected from the Standard List of Suppliers provided by the EDB. The suppliers on the Standard List should be invited by rotation. Schools are encouraged to post tender notices on their websites so that other potential bidders not on the invitation list may have a fair chance to compete with the invitees. Prior approval from SMC should be obtained if it has not been possible to invite sufficient number of suppliers and such records should be properly documented.
- f. Schools should specify the deadline for the suppliers to submit quotations and should not accept late quotations.
- g. Specifications of goods/ services and the pre-determined assessment criteria should be clearly spelt out in the tender documents. If it is considered necessary to obtain information on the products/ services to be procured before drawing up the tender documents, schools should obtain the information from a number of suppliers preferably offering different varieties of the product/ service, digest the information obtained, identify their own needs and draw up their goods/ service specifications in generic terms, and avoid stipulating a brand/ model of product/ service in the specifications. To enhance checks and balances, schools may consider forming a panel to vet the specifications before issue to ensure they are not too restrictive to put off competitive bids.
- h. All tenderers should be provided with sufficient and equal knowledge of the tender requirements and specifications of goods/ services.
- i. Normally, the lowest offer to the specifications should be selected. Justifications and reasons for not accepting the lowest tender/ quotation should be properly documented.

- j. Two separate committees for tender opening and vetting as well as tender approval with defined approving authorities should be set up.
  - k. Membership of the Tender Opening and Vetting Committee and the Tender Approving Committee should differ. For requirements regarding the membership of these committees, schools should refer to the [“Guidelines on Tendering and Purchasing Procedures in Aided Schools”](#).
  - l. Quotation and tender information should be kept confidential with restricted access on a need-to know basis and security measures should be taken to prevent leakage of quotation/ tender information.
  - m. Proper records of the quotations and tenders must be available for inspection, including the reasons for cases where the lowest offer is rejected.
3. The above guidelines are for purchases involving government subsidies and the set-up funds of new schools. Nevertheless, the SMC is advised to formulate similar tendering and procurement procedures for purchases using other school funds.
4. The practices of improper sales of some suppliers have been noted. Schools may wish to refer to the [“Points to Note on Handling Improper Sales by Schools”](#) to handle improper sales.

## **6.5 Accounting and financial control**

### **6.5.1 Statutory requirements**

In accordance with R64 of the Education Regulations, the Supervisor of every school shall:

1. keep proper accounts;
2. make the accounts and any vouchers relating to the accounts available at all reasonable times for inspection by PSEd or any inspector of school; and
3. retain the accounts and vouchers for a period of not less than seven years.

### **6.5.2 Recommended practices**

#### **1. Books of accounts**

Proper accounts must be kept in respect of all income and expenditure. Separate bank accounts should be maintained for government funds and school funds. The Supervisor is also strongly advised to maintain a separate ledger account for each of the government grants and keep them up-to-date so as to avoid overspending. A set of proper books of accounts should comprise the following:

- a. cash books for bank accounts and petty cash;
- b. an attendance register and register of fees/ subscriptions/ other charges showing inter alia receipt numbers and the amount of tuition fee, subscriptions and other charges, if any, against the name of each student;
- c. revenue receipt counterfoils and the Daily Collection Summary in respect of tuition fee, donation, other charges and any other income. A Daily Collection Summary proforma is at Appendix 6.
- d. payment vouchers in respect of all expenditure;
- e. a register of fixed assets. A proforma Fixed Assets Register is at Appendix 7;
- f. a register of non-recurrent grants received for building, furniture and equipment;
- g. a general ledger and subsidiary ledgers showing accounts in respect of all items of recurrent income and expenditure;
- h. an Attendance Register for non-teaching staff and supply teachers;
- i. provident fund and MPF records for individual staff;
- j. a register of hire of school accommodation;
- k. stock and sales records for exercises books, stationery, etc., if necessary; and
- l. Accession Record for library books.

## **2. Use of bank accounts**

- a. An undertaking duly completed by the authorised signatories to school bank accounts should be submitted to EDB to effect payment. The SMC should notify EDB promptly of any change in supervisorship and subsequent changes to the bank signatories. An updated certified bank mandate of the authorised bank signatories should be kept in the school for audit purposes. A proforma undertaking and notification of bank signatories are at Appendices 8 and 9.
- b. Aided IMC schools should read in conjunction with Section 5.2.4 of the [“Guide to Financial Management”](#).

## **3. Fund-raising activities**

### **a. Raising funds for school purposes**

- Prenumbered receipts/ tickets should be used for the collection of funds.
- The funds so collected as well as all expenditure, must also be properly reflected in the school’s accounts.
- A list of donations exceeding \$5,000 each should be kept for record purposes.
- A financial statement for each fund-raising activity should be properly compiled as per the sample at Appendix 10. It should be displayed for a reasonable period of time on the school's notice board for the information of teachers, parents and students, after which it shall be retained for audit purposes.

### **b. Raising funds for outside organisations**

- Schools should keep proper records of funds collected and obtain official receipts from charitable organizations concerned. The documents should be displayed for a reasonable period of time on the school's notice board for the information of teachers, parents and students, after which it shall be retained for record purposes.
- If the fund-raising activities incur expenditure from the funds collected, a financial statement should also be compiled, displayed and retained for audit purposes.

## **4. Trading operations**

For trading operations carried out by schools on the school premises, proceeds derived therefrom should be properly reflected in the school account, usually Subscriptions (Tong Fai) or General Funds Account, or dealt with in any other manner approved by EDB.

## **6.6 Internal control**

### **6.6.1 Guiding principles**

1. Internal control procedures are considered vital to the operation of an effective accounting system which will minimise fraud and negligence and ensure the proper use of government subventions. It is the responsibility of the SMC to determine the extent of the accounting and internal control system appropriate to its circumstances and to ensure that the school is managed and run in accordance with the Education Ordinance, the Education Regulations, the COA and the circulars issued by EDB. Schools are also required to follow the internal control procedures recommended by PSEd or their auditors.
2. In setting up the school's internal control system, the SMC needs to consider the following aspects:
  - a. organization, defining the terms of reference, responsibilities and extent of authority at each level of responsibility within the organizational structure
  - b. code of ethics for staff involved
  - c. authorization and supervision
  - d. documentation, including the accounting system, operating procedures and record keeping of major financial decisions in the minutes of meetings
  - e. review mechanism
  - f. segregation of duties

### **6.6.2 Allocation of accounting duties**

1. The following principles shall be observed in the allocation of accounting duties to ensure the propriety of the accounting transactions :
  - a. The duties of calculating, checking and recording sums due to or from the school shall be separated as completely as possible from the duties of collecting or disbursing those sums. Segregation of duties reduces the risk of intentional manipulation or error.
  - b. The checking and reconciliation of any bank account and cash balances relating to all funds shall be carried out by employees who are not themselves involved in the day to day administration of those accounts.
  - c. Every transfer of moneys from one employee to another shall be evidenced in an appropriate record by the signature of the receiving employee and retained for a period similar to that of cash records.
  - d. All transactions should require authorisation or approval by an appropriate responsible person.

- e. There should be procedures to ensure that personnel have capabilities commensurate with their responsibilities. Schools should have a plan of their organisation, defining and allocating responsibilities and identifying lines of reporting for all aspects of the school's operation.
2. As well as the propriety of spending, school heads should also consider the relevance of best value principles to the expenditure of funds under their control.

### **6.6.3 Handling of school income**

In the interests of the school as well as the Government, all income received by the school from the Government or other sources should be kept in a manner that involves the minimum risk. School income derived from all sources must be kept intact and utilised for approved educational purposes and facilities of the school. The following guidelines are recommended:

1. Surplus funds which are not immediately required for use may be placed in time deposits or savings accounts with licensed banks. Schools should reduce risk by spreading the deposits with several licensed banks. Interest earned should be retained in the account concerned and utilized in accordance with the intended purpose of the grant. For details, please refer to [EDBC002/2003 "The Choice of Bank Counterparties in the Investment of Public Assets"](#).
2. Keeping large sums of cash in schools should be avoided. SMCs should consider their actual operational requirements and security arrangements in deciding on their levels of cash holding, within the allowable limit specified in the circular currently in force. However, this should not be taken to mean that schools must indiscriminately maintain their cash holding at these levels.
3. No post-dated cheques should be accepted. Uncrossed cheques received should be immediately crossed and made payable to "A/C Payee Only".
4. Spoiled cheques should be immediately marked off as "Cancelled" and attached to the cheque stub to prevent from re-use. They should not be destroyed before the retention period.
5. In accordance with R63 of the Education Regulations, a school without IMC shall issue official receipts with counterfoils or duplicate copies for every sum of money received. Aided IMC schools should refer to Section 6.2(iv) of the ["Guide to Financial Management"](#). The receipts should be in prescribed form, serially numbered, issued in sequence, dated and stamped with the school chop. They should also bear the name of the payee and the amount collected. The Supervisor as well as the Principal must ensure that the internal control system of the school is sound and effective to prevent fraud/ misappropriation of funds and in particular all collections are promptly banked in and all collections are properly accounted for. In view of administrative difficulties which may be encountered by some aided schools, school may refer to the relaxed requirements for the issue of official

receipts for the types of collection stated at Appendix 11. However, separate receipts to students should be issued upon request.

6. Spoiled/ obsolete official receipts should be immediately marked "Cancelled". Destruction of them at the end of the retention period should be verified and witnessed by the school head.
7. An official receipt register should be maintained to control the stock and issue of the official receipt books. Unused or partly used official receipt books should be kept under lock.
8. All school income, including fees or government grants or income received from other sources such as hire charges and donations, shall be paid into the appropriate bank accounts maintained in the name of the school. Money received should be banked promptly. A Daily Collection Summary should be prepared to record the date of receipt, serial numbers of official receipts issued, the nature of the income, the amount collected and the date of banking.
9. To minimise the risk of cash losses during transit, collections and payments should be made as far as possible through bank accounts. For example, collection of fees through the autopay system is strongly recommended. Schools should liaise with their banks for appropriate arrangements. For details, please refer to [EDBC21/2009 "Use of Autopay Services for Payments"](#).
10. SMCs are strongly advised to review their existing system of internal control and security measures for the safe custody of cash and to strengthen these aspects to guard against loss.

#### **6.6.4 Making payments**

1. All expenses must be properly authorised before payments are made. All payments must be supported by payment vouchers. Original invoices with full details of goods and services provided should be attached to payment vouchers.
2. The preparation and authorisation of payment vouchers should not be conducted by the same person
3. The staff member responsible for checking should ensure that goods or services have been received or are due for advance payment, quality of goods or services up to school's satisfaction has been certified, approval for payments has been obtained and there is no previous payment on the same invoices. Advance payment should be avoided as far as possible.
4. All paid vouchers and invoices must be stamped with the word "PAID" and dated by the paying staff to prevent duplicate payment.
5. Payment should be made by crossed cheque as far as possible.

### **6.6.5 Safe keeping school assets and other valuables**

Capital assets which are of value to the school in the provision of services for a period of time longer than one year should be recorded as fixed assets. Examples are photocopiers, computers, furniture and equipment, etc. Schools are advised to keep a Fixed Assets Register to record the existing items of fixed assets under their control. A proforma Fixed Assets Register is at Appendix 7. Schools are also responsible for making proper arrangements for the safe custody of buildings, cash and other valuables under their control in accordance with the following guidelines:

1. Schools shall nominate a member of staff to be responsible for the preparation and control of the Fixed Assets Register.
2. Physical checking of assets 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 SMC.
3. All cash and other valuables and important documents must be kept under lock. Surprise cash counts should be conducted by the school head to detect and deter loss/ misappropriation of cash. The surprise check should be carried out by a staff member at irregular intervals in a year, say at least three times a year. The staff member should sign, date and record the result of the checking in a log book. Any discrepancies found should be reported to the SMC.
4. Any write-off or adjustment to the register of capital assets and other valuables may only be done with the approval of the school head. A report on the write-off or adjustment should be passed to the SMC for information.
5. Schools may consider taking out insurance to protect schools against damage or loss of above-standard or non-standard items caused by theft and burglary and loss of cash (non-government funds) in transit. Please refer to Section 8.6 for insurance and settlement of claims for loss of standard items.
6. Schools should maintain a Loan Register when equipment is on loan to staff/ students. A Loan Register proforma is at Appendix 12.

### **6.6.6 Operating bank accounts and signing cheques**

School Supervisors are responsible for the control and operation of bank accounts. They should ensure that the following principles are followed:

1. Bank accounts should be in the name of the school and one shall be kept solely in respect of moneys received from the Government.
2. Bank accounts (include Fixed/ Time Deposits and cheques) should be signed jointly by the School Supervisor and one registered manager. Aided IMC schools should refer to Section 5.2.4 of the [“Guide to Financial Management”](#).

3. If collections of fees for examinations, activities or services arranged for students are required, the school head may seek approval from the SMC to open a separate bank account in the name of the school to be jointly operated by the school head and the deputy school head or such other school personnel as authorised by the SMC.
4. Only a reasonable cash balance shall be kept from time to time to meet small payments.
5. Cheques should not be pre-signed. They should only be signed upon presentation of properly authorised documents. All cheques should be crossed and marked "A/C Payee Only". Use of cash cheques should be avoided except for the purpose of replenishing the petty cash float.
6. Cheque books received should be recorded in a register and their issue must be controlled by recording the recipient's name, signature and date.
7. Unused cheque books should be kept under lock by the School Supervisor or school head.
8. The School Supervisor or school head should handle the inward mail from the bank personally, e.g. bank statements received from the bank should be opened by the School Supervisor or school head. The bank statements should then be examined and initialled before being passed to the staff who is responsible for preparing bank reconciliation statements.
9. The school head should review the cash books and bank reconciliation statement prepared monthly by the school clerk. The school head should also investigate any unusual items and cheques which have been outstanding for over one month. The school head should initial and date the cash books and bank reconciliation statement after checking.

## 6.7 Annual audited accounts

1. Unless approval has been given by PSEd, audited accounts should be prepared on a school year basis (or financial year basis where PSEd's approval is obtained) and submitted to EDB at such times and in such manner as required. If a school fails to submit annual audited accounts without acceptable reasons, PSEd may temporarily withhold payment of grants to the school. In appointing auditors, schools are advised to observe the guidelines on the appointment of auditors and audit engagement letter as set out in [EDBC017/2008 “Appointment of Auditors and Audit Engagement Letter”](#).
2. The accounts must be audited by certified public accountants (practising) registered under the Professional Accountants Ordinance. The audit fee is chargeable to the School and Class Grant.
3. In addition, schools should make the accounts available for inspection by inspectors of schools, pursuant to R64 of the Education Regulations.
4. If anomalies in accounting operations and/ or procurement activities are found during the financial audit inspections conducted by EDB, the schools concerned should step up their efforts to rectify the situation. In the audit inspection letter issued to the school's supervisor, EDB may, where necessary, request a school to :-
  - a. bring this letter and the school's improvement measures to the attention of its SMC; and
  - b. send a copy of this letter to the auditors who are appointed to audit the annual accounts of the school for information and copy the covering letter to EDB.

## **6.8 Retention of accounting records**

1. Records of a permanent nature, e.g. fixed asset register, annual accounts, inventories, records of capital expenditure and Government non-recurrent subsidies, records in connection with school building funds/ donations etc., shall not be destroyed without the prior approval of PSEd. However, the following records may be destroyed after a certain period of retention, as specified below -
  - a. Minimum period of retention - 7 years
    - Books of accounts, i.e. cash books, Ledgers, etc
    - All types of vouchers, bank statements
  - b. Minimum period of retention - 2 years
    - Quarterly returns (duplicates), Paysheets (duplicates)
    - Fees receipts/ school attendance registers
    - Register of hire of school accommodation
2. Schools should ensure that there are adequate and appropriate controls governing the retention, storage and destruction of accounting records. Within the retention period, the records should be systematically stored in order to facilitate efficient retrieval of documents as and when required.

## **Appendix 1 Components of the Operating Expenses Block Grant**

### **Constituent Grants of the General Domain**

#### Secondary Schools

- Practical/ Technical subjects
- Administration Grant/ Revised Administration Grant
- Administration grant for additional Clerical Assistant
- Recurrent English Language Grant
- Noise Abatement Grant
- Training and Development Grant
- Supplementary Grant
- Composite Information Technology Grant
- Air conditioning Grant for Preparation Room of Laboratories
- Enhancement Grant
- School and Class Grant
- Lift Maintenance Grant
- Consolidated Subject Grant

#### Primary Schools

- School Curriculum Development Grant
- Putonghua
- Moral and Civic Education
- Composite Information Technology Grant
- School and Class Grant
- Administration Grant/ Revised Administration Grant
- Noise Abatement Grant
- Enhancement Grant
- Supplementary Grant
- Training and Development Grant
- Lift Maintenance Grant

#### Special Schools

- School Curriculum Development Grant
- Composite Information Technology Grant
- Putonghua
- Activities Grant for Maladjusted Children
- Moral and Civic Education
- Computers as Communication/ Rehabilitation Aids
- Traveling Grant for Certificated Master/ Mistress Teaching Home-bound Pupil
- Computers for Assisted Learning Activities
- Practical/ Technical Subjects
- School and Class Grant
- Administration Grant/ Revised Administration Grant

- Noise Abatement Grant
- Supplementary Grant
- Air Conditioning Grant for Preparation Room of Laboratories
- Enhancement Grant
- Travelling Grant for resource teachers
- Training and Development Grant
- Resource Material Grant for visually impaired students
- Air-conditioning Grant for schools for physically disabled/ severely intellectually disabled children
- Senior Secondary Support Programme Grant
- Consolidated Subject Grant

Note: Lift Maintenance Grant is disbursed on a reimbursement basis to meet the maintenance and electricity expenses of the lifts approved in special schools.

## **Constituent Grants of the Special Domain**

### Secondary Schools

- Capacity Enhancement Grant
- Boarding Grant
- School-based Support Scheme for Newly Arrived Children
- Whole School Approach to Integrated Education
- Programme Funds for Whole-school Approach to Guidance and Discipline

### Primary Schools

- School-based Support Scheme for Newly Arrived Children
- Student Guidance Service Grant
- Capacity Enhancement Grant
- Understanding Adolescent Project (Primary) Grant
- Whole School Approach to Integrated Education
- English Extensive Reading Scheme
- Chinese Extensive Reading Scheme
- Programme Funds for Whole-school Approach to Guidance and Discipline
- Enhanced Speech Therapy Grant

### Special Schools

- School-based Support Scheme for Newly Arrived Children
- Understanding Adolescent Project (Primary) Grant
- English Extensive Reading Scheme
- Programme Funds for Whole-school Approach to Guidance and Discipline
- Supportive Remedial Services for hearing impaired pupils attending ordinary schools
- Capacity Enhancement Grant
- Maintenance Grant for Sewage Treatment Plant
- Chinese Extensive Reading Scheme
- Boarding Grant

## **Appendix 2 Components of the Expanded Operating Expenses Block Grant**

### Secondary & Primary schools

- Accommodation and Catering Services
- Advanced Level (AL) Biology
- AL Chemistry (Teacher Assessment Scheme)
- AL Computer Studies
- ASL Chemistry
- ASL Chinese History
- ASL Chinese Language and Culture
- ASL Computer Applications
- ASL Electronics
- ASL Ethics and Religious Studies
- ASL Government and Public Affairs
- ASL History
- ASL Liberal Studies
- ASL Literature in English
- ASL Use of English
- ASL Visual Arts
- Computer and Information Technology
- Computer Literacy
- Design and Technology
- Electronics and Electricity
- Fashion and Clothing
- Home Economics
- Integrated Science
- Moral and Civic Education
- Putonghua
- Technological Studies
- Visual Arts
- Administration Grant for additional Clerical Assistants
- Administration Grant/ Revised Administration Grant
- Air-conditioning Grant for Preparation Room of Laboratories
- Capacity Enhancement Grant
- Chinese Extensive Reading Scheme
- Composite Furniture and Equipment Grant
- Composite Information Technology Grant
- Consumables for IT Learning Centres
- English Extensive Reading Scheme

- Enhancement Grant
- Lift Maintenance Grant
- Noise Abatement Grant
- Programme Funds for Whole-school Approach to Guidance and Discipline
- Recurrent English Language Grant
- Refund of fees for certificates on fire safety
- Refund of fees for certificates on structural safety
- School and Class Grant
- School Curriculum Development Grant
- School-based Support Scheme for Newly Arrived Children
- Student Guidance Service Grant
- Supplementary Grant
- Training and Development Grant
- Understanding Adolescent Project (Primary) Grant
- Whole School Approach to Integrated Education
- Boarding Grant
- Practical/ Technical Subjects
- Enhanced Speech Therapy Grant

#### Special schools

- Accommodation and Catering Services
- Advanced Level (AL) Biology
- AL Chemistry (Teacher Assessment Scheme)
- AL Computer Studies
- ASL Chemistry
- ASL Chinese History
- ASL Chinese Language and Culture
- ASL Computer Applications
- ASL Electronics
- ASL Ethics and Religious Studies
- ASL Government and Public Affairs
- ASL History
- ASL Liberal Studies
- ASL Literature in English
- ASL Use of English
- ASL Visual Arts
- Computer and Information Technology
- Computer Literacy
- Design and Technology

- Electronics and Electricity
- Fashion and Clothing
- Home Economics
- Integrated Science
- Moral and Civic Education
- Practical/ Technical Subject
- Putonghua
- Technological Studies
- Visual Arts
- Activities grant for maladjusted children
- Administration Grant/ Revised Administration Grant
- Air-conditioning Grant for Preparation Room of Laboratories
- Air-conditioning Grant for schools for physically disabled/ severely intellectually disabled children
- Boarding Grant
- Capacity Enhancement Grant
- Chinese Extensive Reading Scheme
- Composite Furniture and Equipment Grant
- Composite Information Technology Grant
- Computers as Communication/ Rehabilitation Aids
- Computers for Assisted Learning Activities
- English Extensive Reading Scheme
- Enhancement Grant
- Lift Maintenance Grant
- Maintenance Grant for Sewage Treatment Plant
- Noise Abatement Grant
- Programme Funds for Whole-school Approach to Guidance and Discipline
- Refund of fees for certificates on fire safety
- Refund of fees for certificates on structural safety
- Resource Material Grant for visually impaired students
- School and Class Grant
- School Curriculum Development Grant
- School-based Support Scheme for Newly Arrived Children
- Supplementary Grant
- Supportive Remedial Service for hearing impaired pupils attending ordinary schools
- Training and Development Grant
- Travelling Grant for Certificated Master/ Mistress teaching home-bound pupils
- Travelling Grant for resource teachers
- Understanding Adolescent Project (Primary) Grant
- Senior Secondary Support Programme Grant

### Appendix 3 Approved list of fines/ charges & fees

The Permanent Secretary for Education has given schools his written permission by **EDBC046/1999 “Collection of Fines, Charges and Fees for Specific Purposes, and Use of the Subscription (Tong Fai)/ General Funds Account”** to make the following collections:

Items	Approved ceilings (with effect from 15.9.1999 and subject to future revision)
1. Registration fee	\$400 for primary schools \$800 for secondary schools
2. Entrance examination fee	\$50
3. Replacement of student card	\$10 per copy
4. Replacement of graduation certificate	\$25 per copy
5. Transcript (second copy)	\$25 per copy
6. Locker deposit	\$10 per student(to be refunded to student on leaving school)
7. Fine for serious damage to or loss of library book	The original cost of the book plus 20% for handling charges
8. Fine for overdue library book	The rate imposed by Public Library
9. Replacement charge for loss of library card	- ditto -
10. Breakage and damage of science equipment	\$50 per item
11. Breakage of school property other than science equipment	\$50 for individual student \$100 for the whole class responsible
12. Wilful damage to school property	The full cost of repair/ replacement of the item
13. Stored-value photocopying card	\$25 deposit per card (unused value to be refunded to student)
14. Approved Collections for Specific Purposes (See Appendix 4)	\$300 in total p.p.p.a.

\* Please also refer to **EDBC012/2002 “Collection of Registration Fees, Entrance Examination Fees and Other Charges”**.

## **Appendix 4 Approved collections for specific purposes**

### **1. Background**

Schools are given the discretion, subject to compliance with the conditions stated in paragraph 2, to make collections from parents for expenses on above-standard and non-standard items to provide "extras" over a basic education to students. For example, schools may use the income to pay for additional teachers to teach subjects outside the normal curriculum, or instructors' fees for various cultural activities, or electricity charges for air-conditioning the school portion.

### **2. Conditions**

Prior approval of PSEd is not required if the following conditions are fulfilled:

- a. The amount of collection falls within the current ceiling set by PSEd.
- b. Parents have been consulted on the proposed plan(s) in advance, preferably at the beginning of a school year, and they endorse the proposal.
- c. A detailed list of all agreed collections should be issued to all parents, and displayed at a prominent place in the school.
- d. Needy parents will not be compelled to subscribe to the collection.
- e. At the end of the school year, a financial statement is sent to all parents, informing them of how the collections have been spent.
- f. A separate ledger account is kept to record all income and expenditure pertaining to such collections for each specific purpose, and upon request is produced for EDB's inspection.
- g. A separate statement is included in the annual audited financial statement of accounts, showing all the income and expenditure relating to such collections.

### **3. Important points to note**

- a. If the majority of parents object to the plan(s) in the course of consultation, the school should withdraw the proposal. The SMC should examine parents' concern, re-assess the needs of the school and review the plan before putting forward new proposals for parents' consultation again.
- b. The respective SSDO should be notified of such collections.
- c. The SMC may devise further procedures governing the collection to safeguard against abuses and to foster parents' support and trust.

## **Appendix 5 Requirements from competent authorities in connection with fund-raising activities**

For Reference Only - This list is by no means exhaustive. Schools and organizers of fund-raising activities should consult respective competent authorities in case of doubt.

### **1. Public Entertainment**

Before any public entertainment can be held within the school premises, a licence is required under the Places of Public Entertainment Ordinance. Public entertainment includes the following events/ activities to which the general public are admitted, with or without payment for admission:

- a. a concert, opera, ballet, stage performance or other musical, dramatic or theatrical entertainment;
- b. a cinematography or laser projection display;
- c. a circus;
- d. a lecture or story-telling;
- e. an exhibition of any one or more of the following, namely, pictures, photographs, books, manuscripts or other documents or other things;
- f. a sporting exhibition or contest;
- g. a bazaar;
- h. an amusement ride within the meaning of the Amusement Rides (Safety) Ordinance or any mechanical device (other than such an amusement ride) which is designed for amusement; and
- i. a dance party.

Applications should reach the Director of Food and Environmental Hygiene at least 42 days before the commencement of functions. In respect of the place where the public entertainment is held, fire services requirements must be complied with. For functions with erection of structures, requirements of the BD should be observed.

### **2. Film**

A certificate of approval/ exemption is required under Section 8 of the Film Censorship Ordinance from the Film Censorship Authority before public exhibition of a film (a film means a cinematograph film, a video tape or laserdisc, a still film or any other record of visual moving images).

### **3. Lottery**

A lottery licence is required under Section 22(1)(a)(i) of the Gambling Ordinance from the Commissioner for Television and Entertainment Licensing if fund-raising activities are conducted in the form of a lottery. Lottery includes, inter alia, a raffle and any game, method, device or scheme for distributing or allotting prizes by lot or chance, whether promoted, conducted or managed in or outside Hong Kong. Prior written approval from the Commissioner is also required if lottery tickets are sold on public streets.

#### **4. Game of Amusement with Prizes**

For a game such as wheel of fortune, roll a dice etc. with prizes, a licence is required under Section 22(1)(a)(iii) of the Gambling Ordinance from the Commissioner for Television and Entertainment Licensing for conducting a game of amusement with prizes on premises licensed under Section 4 of the Places of Public Entertainment Ordinance.

#### **5. Selling of Liquor or Use of Starting Pistols**

Licences or permits from the Commissioner of Police have to be applied for activities which include the selling of liquor and the use of starting pistols. Applications for a temporary liquor licence and exemption permits for starting pistols should be submitted at least 14 working days before the commencement of functions.

#### **6. Fund-raising Activities in Public Places**

According to Section 4(17)(i) of the Summary Offences Ordinance, any person or organization that organizes, provides equipment for, or participates in any collection of money or exchange for donation of badges, tokens or similar articles in a public place for charitable purposes should apply for a permit from the Director of Social Welfare. The permit as referred to above is the Public Subscription Permit which covers two types of charitable fund-raising activities, namely flag days and general charitable fund-raising activities.

#### **7. Race on Road and Walkathon**

Races on a road where any competition is involved require a Road Event Permit issued under the Road Traffic Ordinance. Applications for permits should be made to the appropriate Police Regional Commander (Kowloon East, Kowloon West, Hong Kong, New Territories North and New Territories South) in whose region the event will occur.

Walkathons are controlled by the Police under the Public Order Ordinance and prior notification of at least seven days in advance of the proposed event is required. Pre-printed notification forms are available at any Police Station and should be used to ensure all necessary information is furnished to the Police. Completed notifications should be delivered by hand to the Duty Officer of any police station by the organizer or his representative.

If a walkathon or race involves collection of money or exchange for donation of badges, tokens or similar articles in a public place for charitable purposes, approval from the Director of Social Welfare must be obtained.

#### **8. Publicity**

If fund-raising activities are publicised by bills or posters, Section 104A of the Public Health and Municipal Services Ordinance, restricting the display of bill and posters, has to be complied with.





## Appendix 8 Proforma Undertaking by School Supervisor

### PROFORMA

\_\_\_\_\_ (Name of School)

\_\_\_\_\_ (Address of School)

\_\_\_\_\_ (Date)

To: Permanent Secretary for Education, Hong Kong.

(Attn: \_\_\_\_\_ )

### Recurrent Subsidy

In consideration of the HKSAR from time to time advancing recurrent grants to the management committee of the above-named school on the terms and conditions set out in the Code of Aid for Primary/ Secondary/ Special/ Aided\* School, I, \_\_\_\_\_, Supervisor of the said school, hereby guarantee the repayment of the balance of any recurrent subsidy which is unused at the time of any of the following events -

1. Closure of the school; or
2. Suspension of the school's operations; or
3. Withdrawal or removal of the school from the Aided School Lists maintained by the Education Bureau.

\_\_\_\_\_ (Supervisor's Signature)

\_\_\_\_\_ (Name)

Witness: \_\_\_\_\_

Witness: \_\_\_\_\_

Date: \_\_\_\_\_

\*Delete as appropriate.

## **Appendix 9 Proforma notification of Bank Signatories and Bank Account**

### **Notification of Bank Signatories and Bank Account**

To: Permanent Secretary for Education, Hong Kong.

Please pay the recurrent and non-recurrent grants for my school into the following bank account:

Name of School : \_\_\_\_\_

Name of Account (in English): \_\_\_\_\_

Account No. : \_\_\_\_\_

Name of Bank (and branch, if any): \_\_\_\_\_

Name of three signatories for signing cheques:

(1) \_\_\_\_\_ (Supervisor)

(2) \_\_\_\_\_ (Manager)

(3) \_\_\_\_\_ (Manager)

Note: Cheques should be signed by the Supervisor and one other registered manager. For IMC schools, bank accounts should be operated by joint signatories of IMC managers and the supervisor being signatory is not mandatory.

I certify that the above account has been opened. I hereby agree that the Bank's acknowledgement will be sufficiently discharged in lieu of my personal acknowledgement.

\_\_\_\_\_ (Supervisor's Signature)

\_\_\_\_\_ (Name of Supervisor)

\_\_\_\_\_ (Date)

## Appendix 10 Financial Statement (Fund Raising Activities) - Sample of a Standard Income and Expenditure Account

### Financial Statement (Fund Raising Activities)

Name of School: \_\_\_\_\_

Fund Raising Activity: (e.g. Fund Raising Concert 20xx) \_\_\_\_\_

Purpose of the Fund Raising Activity: \_\_\_\_\_

#### Income and Expenditure Account

Income (Schedule 1)

Donations	\$ XXXX	
Sales of tickets	\$ XXXX	\$ XXXX
Less : Expenditure (Schedule 2)		<u>\$ XXXX</u>

**Surplus/(Deficit) \$ XXXX**

Represented by :

Fixed Deposit with XXX Bank \$ XXXX

Savings Account with XXX Bank \$ XXXX

Fund Raising Activity Current Account No. XXX \$ XXXX

Amount donated to: [ Name of charitable organization(s) ]  
 (supported with copies of receipt(s)) \$ XXXX

**\$ XXXX**

Prepared by: \_\_\_\_\_ Date: \_\_\_\_\_

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Checked by: \_\_\_\_\_ Date: \_\_\_\_\_

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Certified by Supervisor: \_\_\_\_\_ Date: \_\_\_\_\_

Name: \_\_\_\_\_

## Financial Statement (Fund Raising Activities)

### Schedule 1

#### Fund Raising Concert 20xx

#### Income

<b>Donations from</b>	\$	\$
e.g. Sponsoring body	XXX	
V.I.P.s	XXX	
Alumnae and friends	XXX	
Secondary school teaching staff	XXX	
Secondary school non-teaching staff	XXX	
Primary school teaching staff	XXX	
Primary school non-teaching staff	XXX	
Kindergarten teaching staff	XXX	
Kindergarten non-teaching staff	XXX	
Secondary school parents	XXX	
Others	XXX	XXX

#### Sales of Tickets (Note)

<b>Alumnae</b>	\$	
No. of tickets sold		
\$10 each :	XXX	
\$20 each :	XXX	XXX

<b>Teaching Staff</b>		
No. of tickets sold		
\$10 each :	XXX	
\$20 each :	XXX	XXX

<b>Students</b>		
No. of tickets sold		
\$10 each :	XXX	
\$20 each :	XXX	XXX

<b>Others</b>		XXX
(Please specify in Schedule 3 separately)		

**Total Receipts:** XXX

Note:

All receipts for donations and tickets should be serially numbered and a separate record of the receipts issued and tickets sold, with the serial numbers indicated, should be kept.

## Financial Statement (Fund Raising Activities)

### Schedule 2

#### Fund Raising Concert 20xx

#### Expenditure (Note)

	\$
e.g. Rent for Hall, Theatre etc.	XXX
Sound system & equipment	XXX
Programme-printing	XXX
Ticket-printing	XXX
Poster-printing	XXX
Receipts-printing	XXX
Transportation	XXX
Music	XXX
Refreshment	XXX
Postage and stationery	XXX
Miscellaneous	XXX
	<u>XXX</u>

Note: All invoices and receipts should be kept.

## **Appendix 11 Relaxed requirements for the issue of official receipts for certain types of collections**

### **1. School Dental Care Service**

A Collection Summary detailing the name of the students, the amount collected, the date of collection and the date of bank-in etc. should be prepared. The Summary should be reconciled with the amount as stated in the demand note issued by the organizations concerned. The Summary should be signed by both the school staff preparing the summary and the Principal as evidence of checking.

### **2. Donations Raised from Students**

Donations raised from students towards the Hong Kong Tuberculosis, Chest and Heart Diseases Association, Community Chest and approved collections for school or charitable purposes should be made in front of a responsible member of staff into a sealed and lockable box. The box should be opened and the money contained therein counted by another responsible member of staff in the presence of the principal who should sign a cash certificate authenticating the amount so collected. A Collection Summary by each type of donation should be prepared by the school staff and checked by the Principal with both signatories on the Summary.

### **3. Sale of School Textbooks, Exercise Books, School Uniform and Badges and Stationery Items etc**

Principles stipulated in relevant circulars should be followed when conducting trading operation in the school. Since sale of school textbooks, exercise books, school uniform and badges and stationery items etc to students is on a Cash on Delivery basis, a sales record containing the daily quantity of each type of the above trading items sold, the total amount of cash collections as well as the date of banking should be kept. Stock records should also be kept for each type of stock of the trading items. The entries in the sales records should tally with those in the stock records. The sales record should be checked and signed by the Principal. Stock movements (e.g. purchases, sales etc.) should be promptly entered in the stock records so as to reflect the cost and quantity of stock in hand properly. The stock records should be checked periodically by a staff independent of making purchases and sales to ensure proper stock control.

### **4. Fees for carrying out extra-curricular activities including educational visits and making payments on behalf of students**

Aided schools should utilize the School and Class Grant and Cash Grant on School-based After-school Learning and Support Programmes for carrying out extra-curricular activities. If the aided school considers that it is necessary to collect fees from students and the money so collected is for making payments on behalf of the students, a Collection Summary by each type of activity should be prepared. The Summary should be signed by both the school staff preparing the Summary and the Principal as evidence of checking.

