

Points to Note on Financial Management of Aided IMC Schools

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| | Items | | | | | | |
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| A. Procurement activities | (1) Quotation/tender exercises should be conducted for school procurement (including the leasing of photocopying machines, security guard services, broadband internet services, provision of educational programme, cleaning services) in accordance with the financial limits as stipulated in the EDB Circular No. 4/2013 as follows: | | | | | | |
| | <table><tr><td>Above \$5,000 to \$50,000</td><td>at least two oral quotations</td></tr><tr><td>Above \$50,000 to \$200,000</td><td>at least five written quotations</td></tr><tr><td>Above \$200,000</td><td>at least five tenders</td></tr></table> | Above \$5,000 to \$50,000 | at least two oral quotations | Above \$50,000 to \$200,000 | at least five written quotations | Above \$200,000 | at least five tenders |
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| | Above \$50,000 to \$200,000 | at least five written quotations | | | | | |
| | Above \$200,000 | at least five tenders | | | | | |
| | If it is not possible to invite/receive the minimum number of oral quotations, an explanatory note should be made on the Purchase-by-Oral Quotation Form and it should be endorsed by the Panel Head of the subject or a staff member with the salary point not lower than Master Pay Scale Point 25. | | | | | | |
| | If it is not possible to invite sufficient number of suppliers for procurement estimated to cost more than \$50,000, the circumstances should be explained and recorded on file. Prior approval should also be obtained from the IMC. | | | | | | |
| | Reasons for not accepting the lowest/lower conforming offers should be provided. | | | | | | |
| | (2) Quotation/tender exercises should be conducted for renewal of contracts. | | | | | | |
| (3) Quotation and tender information should be kept confidential with restricted access on a need-to-know basis. The staff should sign an undertaking that they would not make any unauthorized disclosure of quotation or tender information. | | | | | | | |
| (4) Quotation/tender documents should be properly prepared and kept for audit inspection e.g. Purchase-by-Oral Quotation Form, original written quotations/tenders submitted by the suppliers and Written Quotation/Tender Summary and Approval Record. | | | | | | | |
| (5) Written quotations/tenders should be opened at the specified date and time as mentioned in the written quotation/tender documents to avoid inclusion of late written quotations/tenders to maintain fairness and public accountability. | | | | | | | |
| (6) The Tender Opening & Vetting Committee (TOVC) and the Tender Approving Committee (TAC) should be made up of different staff members. | | | | | | | |
| (7) Supervisory checks should be conducted randomly to satisfy that the oral quotations obtained are genuine. Responsible staff should date and initial on the Purchase-by-Oral Quotation Form to show that the quotations have been checked. | | | | | | | |

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| | <p>(8) All suppliers and contractors should be informed in writing that the offer of advantages to school staff in connection with their official duties is illegal by incorporating a statement in the order form or the terms of quotations and tenders.</p> <p>(9) Staff involved in procurement and supplies duties should be required to sign an undertaking that they would declare in writing to the IMC any current or future connection they or their families have with suppliers or contractors as soon as they become aware of it.</p> |
| B. Payments and Collections | <p>(1) All payments should be supported by payment vouchers and original invoices.</p> <p>(2) All paid vouchers and invoices should be stamped with the word “PAID” and dated by the paying staff to avoid duplicate payment.</p> <p>(3) The preparation and authorisation of payment vouchers should be conducted by different persons for internal control purpose.</p> <p>(4) Official receipts should be in prescribed form, serially numbered, issued in sequence, dated and stamped with the school chop.</p> <p>(5) Spoiled/obsolete official receipts should be marked “Cancelled”.</p> <p>(6) A Daily Collection Summary should be prepared to record the nature of the school income, the amount collected, the date of banking, the date of receipt and serial number of official receipt issued. Money received should be banked promptly.</p> <p>(7) All school incomes should be deposited into the appropriate bank accounts maintained in the name of the school.</p> <p>(8) The acceptance of donations by school should be approved by the IMC.</p> <p>(9) School should register details of all donations received.</p> |
| C. Operation of Bank Accounts | <p>(1) Spoiled cheques should be marked off as “Cancelled” and attached to the cheque stub to prevent from re-use.</p> <p>(2) Cash books and bank reconciliation statements prepared monthly by school clerk should be reviewed by the school head who should initial and date the cash books and statements after checking.</p> <p>(3) Bank accounts should be signed jointly by IMC managers (Supervisor is not mandatory).</p> |
| D. Safe Keeping of Assets | <p>(1) Fixed Assets Register to record the existing items of fixed assets under the school’s control should be prepared and kept up-to-date.</p> |

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| | (2) Physical checking of assets should be conducted at least once a year. |
| | (3) Any write-off or adjustment to the register of capital assets and other valuables may only be done with the approval of the IMC. A report on written-off items, including cost, quantity and reasons for writing-off should be passed to the IMC for approval and disclosed in the note to accounts. |
| | (4) A Loan Register should be maintained to record equipment on loan to staff and students. |
| E. Trading Operations | (1) Prior IMC approval is required for trading operations. Trading operations have to be discussed and passed in the IMC meetings and properly recorded in the IMC meeting notes. |
| | (2) Trading operators/suppliers should be selected through competitive quotation/tender exercises at regular intervals, preferably not exceeding three years. |
| | (3) A prevention of bribery clause should be included in the call for quotations/tenders from potential trading operators/suppliers and in the contract with a trading operator/supplier. |
| | (4) Rates, government rent and other relevant expenses in respect of the tuckshop area should be borne by the tuckshop operator. |

DON'Ts

| | Items |
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| A. Procurement activities | (1) An order should not be split to circumvent approval requirement or quotation/tendering procedures. |
| B. Payments and Collections | (1) For school activities with incomes credited to school's own funds, the relevant expenses should not be charged to government funds. |
| | (2) Official receipts should not be pre-signed. |
| C. Operation of Bank Accounts | (1) Cheques should not be pre-signed. |
| D. Trading Operations | (1) The profit from sale of exercise books, school uniforms, stationery, equipment and other items (other than textbooks) should not exceed the profit limit of 15% of the cost price. No profit should be generated from sale of textbooks. |

July 2013

Education Bureau