

Financial Management/Sale of School Items/Provision of Paid Services in Kindergartens/Kindergarten-cum-Child Care Centres

Kindergartens/Kindergarten-cum-Child Care Centres (hereafter collectively referred as “KGs”) joining the Pre-primary Education Voucher Scheme (PEVS) and/or the Rent Reimbursement Scheme (RRS) are reminded to observe the following standing administrative directives on financial management, sale of school items and provision of paid services. The PEVS/RRS-KGs should:

- (a) not transfer the surplus (in whatever form including donations/gifts) to any of their sponsoring bodies or other organisations.

[Relevant circulars: EDB Circular No. [1/2007](#) Appendix I(A) “Terms and Conditions of Pre-primary Education Voucher Scheme for Non-Profit-Making Kindergartens” paragraph 2(h), EDB Circular No. [6/2011](#) Appendix I “Terms and Conditions of the Pre-primary Education Voucher Scheme” paragraph 2(g), EDB Circular No. [3/2008](#) paragraph 9 and EDB Circular No. [2/2004](#) paragraph 13]

- (b) submit their audited accounts to Education Bureau in prescribed format on or before 5 February 2016.

[Relevant circular: EDB Circular Memorandum No. [135/2015](#)]

- (c) observe the following principles when conduct trading operations at school for the sale of school items and provision of other paid services to students:

- No profit should be generated from the sale of textbooks;
- Profit from the sale of school items and provision of paid services, if any, should not exceed the profit limit of 15% of the cost price at which they are purchased from the suppliers;
- No purchase of school items or acceptance of paid services should be compulsory. KGs should inform parents in writing that the acquisition of such items or services is entirely voluntary;
- KGs should inform parents in writing the charges, quantity and description of each school item/ paid service to enable parents to make an informed choice for their children;
- The items to be sold or the services to be provided should be solely for teaching and learning purposes;
- Expenses on regular learning activities for all students as well as items such as students’ handbooks, attainment records, teaching aids, etc., which are necessary for the operation of the school, should be covered by the operating expenses. Parents should not be charged for these items; and
- Proper books of account should be kept which must reflect all sales and purchases and provision of paid services.

[Relevant circulars: EDB Circular No. [16/2013](#) and EDB Circular No. [14/2003](#)]