

Notes on Preparing Financial Summary for Direct Subsidy Scheme (DSS) Schools

To enhance the transparency of schools' financial management, DSS schools are required to report the following financial information in the School Report, which has to be uploaded onto their school websites by end-November annually:

- (a) major expenditures in terms of percentages of their annual overall expenditures; and
- (b) the cumulative operating reserve in terms of equivalent months of operating expenditure.

A template of Financial Summary (FS) for use by DSS schools is at [Annex](#).

I. Items for Completion

(a) Income

	Operating Reserve		School Fee Remission/ Scholarship Reserve	Reserve for Donations with Specific Purposes	Reserve for Construction, Maintenance & Upgrading of Above-standard Facilities	Other Grants
Annual Audited Accounts	(Statement 1)		(Note 14 of Statement 3)	(Note 7 of Statement 3)	(Note 8 of Statement 3)	Appendices
	Gov't Funds	Non-gov't Funds	Non-gov't Funds	Non-gov't Funds	Non-gov't Funds	Gov't Funds
DSS Subsidy (including grants not subsumed in the DSS unit rate)	✓					✓
School Fees (gross)		✓				
Donations		✓		✓		
Other income	✓	✓				
Total	100%					

(b) Expenditure

	Operating Reserve	School Fee Remission/ Scholarship Reserve	Reserve for Donations with Specific Purposes	Reserve for Construction, Maintenance & Upgrading of Above-standard Facilities	Other Grants
Annual Audited Accounts	(Statement 1)	(Note 14 of Statement 3)	(Note 7 of Statement 3)	(Note 8 of Statement 3)	Appendices
Operating Expenses (including those for Learning and Teaching)	✓ After deducting the following items as individual entries:				✓
Staff Remuneration	✓				
Repairs and Maintenance	✓		✓	✓	
Depreciation	✓		✓	✓	
Miscellaneous	✓				
Fee Remission/ Scholarship		✓			
Total	100%				

(c) Surplus/ Deficit for the School Year (in months of the annual expenditure)

	Operating Reserve	School Fee Remission/ Scholarship Reserve	Reserve for Donations with Specific Purposes	Reserve for Construction, Maintenance & Upgrading of Above-standard Facilities	Other Grants
Annual Audited Accounts	(Statement 1)	(Note 14 of Statement 3)	(Note 7 of Statement 3)	(Note 8 of Statement 3)	Appendices
Surplus/ Deficit for the School Year	✓				
Annual Expenditure ^{note 1}	✓		✓	✓	

(d) Accumulated Surplus/ Deficit in the Operating Reserve as at the End of the School Year (in months of the annual expenditure)

	Operating Reserve	School Fee Remission/ Scholarship Reserve	Reserve for Donations with Specific Purposes	Reserve for Construction, Maintenance & Upgrading of Above-standard Facilities	Other Grants
Annual Audited Accounts	(Statement 1)	(Note 14 of Statement 3)	(Note 7 of Statement 3)	(Note 8 of Statement 3)	Appendices
Accumulated Surplus/ Deficit in the Operating Reserve as at the End of the School Year	✓				
Annual Expenditure ^{note 1} x12	✓		✓	✓	

II. Checklist for Completing FS

- The FS has been endorsed by the School Management Committee/ Incorporated Management Committee.
- The FS has been incorporated in the latest School Report ^{note 2}, which has been uploaded onto school website.
- All financial figures were calculated based on the latest school audited accounts ^{note 3}.
- Heading of the FS is the school year of which the latest school audited accounts are prepared.
- The sum total of income, i.e. including government funds and non-government funds, is equal to 100%.
- The box confirming to have set aside sufficient provision for the fee remission/ scholarship scheme has been marked with “✓”.
- Surplus/Deficit for the School Year and Accumulated Surplus/Deficit in the Operating Reserve has been calculated based on the latest school audited accounts.
- Relevant remark on Net Book Value (NBV) of fixed assets, if any, has been included in the entry to “Accumulated Surplus/ Deficit in the Operating Reserve as at the End of the School Year”; e.g. it includes/excludes X months of NBV.

Note 1: The aggregate total expenditures as per Statement 4.

Note 2: Under the School Development and Accountability Framework, DSS schools should upload the School Report onto the school website 3 months after the end of each school year, i.e. by end-November.

Note 3: Audited accounts of DSS schools are only available 6 months after the end of each school year, i.e. by end-February of the following school year, so the financial information for inclusion in the School Report should be that of the preceding school year. For example, the financial information to be included in the 2015/16 School Report should be based on the 2014/15 school audited accounts.

Template for Reporting DSS Schools' Annual Financial Position
Financial Summary for the _____ / _____ School Year

	Government Funds	Non-Government Funds
INCOME <i>(in terms of percentages of the annual overall income)</i>		
DSS Subsidy (including government grants not subsumed in the DSS unit rate payable to schools)	%	N.A.
School Fees	N.A.	%
Donations, if any	N.A.	%
Other Income, if any	N.A.	%
Total	%	%
EXPENDITURE <i>(in terms of percentages of the annual overall expenditure)</i>		
Staff Remuneration		%
Operational Expenses (including those for Learning and Teaching)		%
Fee Remission / Scholarship ¹		%
Repairs and Maintenance		%
Depreciation		%
Miscellaneous		%
Total		100%
Surplus/Deficit for the School Year #	XX months of the annual expenditure	
Accumulated Surplus/Deficit in the Operating Reserve as at the End of the School Year #	XX months of the annual expenditure	
# <i>in terms of equivalent months of annual overall expenditure</i>		

Details of expenditure for large-scale capital works, if any:

¹ The % of expenditure on fee remission/scholarship is calculated on the basis of the annual overall expenditure of the school. This % is different from that of the fee remission/scholarship provision calculated on the basis of the school fee income as required by the Education Bureau, which must be no less than 10%.

It is confirmed that our school has set aside sufficient provision for the fee remission / scholarship scheme according to Education Bureau's requirements (Put a "✓" where appropriate).