

# **Expanded Operating Expenses Block Grant**

## **Key Messages**

- The provision of the Expanded Operating Expenses Block Grant (EOEBG) aims at providing Incorporated Management Committee (IMC) schools with more financial autonomy in the deployment of funds for educational purposes. Schools are encouraged to deploy the funding flexibly to meet their needs.
- The EOEBG is provided to aided schools in the school year following their establishment of the IMCs, based on the snapshot of the total amount of the constituent grants provided in the preceding school year. Adjustment will be made annually according to the June-on-June movement of the Composite Consumer Price Index and the change in the number of approved classes.

## **Principles on usages**

- Schools should have sound financial planning and good budgeting, and deploy resources in a cost-effective and timely manner to meet the needs of their students, various policy priorities and other education-related expenses endorsed by the IMC.
- Schools should ensure the expenditure incurred is reasonable and necessary, having regard to the interests of the students and the staff. They should be transparent and accountable to the stakeholders in utilizing the funds.
- The surplus, if any, may be used on items chargeable to other Education Bureau (EDB) subsidies outside the EOEBG or for topping up recurrent / non-recurrent expenses for project approved / funded by EDB and/or educational services acquired through private donations or fund-raising.
- Schools may retain a surplus of up to 12 months' provision of the EOEBG for the year in which the grant is provided.

## **Dos**

- ✓ keep the total spending within the amount of provision to avoid deficits
- ✓ exercise economy in using government funding

- ✓ set aside part of the EOEBG as outstanding commitment for the Severance payment / Long Service Payment for staff employed under the EOEBG
- ✓ prepare annual planning, budgeting and review for self-regulation
- ✓ disclose financial information properly in the annual School Plan and School Report on the school website
- ✓ submit school audited annual accounts to the EDB

### **Don'ts**

- × keep too much surplus without specific purposes
- × take out a large amount of surplus to top up a single item / program
- × use the EOEBG to procure services or materials merely to drill students for assessments
- × use the EOEBG for non-education related expenses e.g.
  - fringe benefits/welfare for staff, including housing benefits, provision of food or food allowance, travelling allowance, medical expenses, etc.;
  - entertainment expenses such as lunch/dinner for staff not related to their discharge of duties;
  - loans to staff or third parties;
  - administrative and management expenses, including salaries of staff, of the headquarters or other service units of the school sponsoring body; and
  - donations

### **Source Documents and Reference Materials**

1. EOEBG User Guide for Aided Schools which have established an IMC
2. Reminder List for Using EOEBG
3. Tips on Handling Government Subventions for Aided Schools
4. EDB Homepage → School Administration and Management → Financial Management → General Finance → Reference Materials on E/OEBG and CFEG  
(<http://www.edb.gov.hk/en/sch-admin/fin-management/subsidy-info/ref-e-oebg-cfeg/index.html>)
5. EDBCM No. 104/2012

July 2013

School Administration Division