From: Permanent Secretary for Education
To: Supervisors and Heads of Kindergartens, Kindergarten-cum-Child Care Centres and Schools with Kindergarten Classes joining the Free Quality Kindergarten Education Scheme in the 2017/18 school year

Ref.: EDB(KGSD)/KE/1/24(C)
Date: 16 January 2017
cc: Heads of Sections - for information

One-off Start-up Grant for Kindergartens
Joining the Free Quality Kindergarten Education Scheme in the 2017/18 School Year

Summary

This circular memorandum informs kindergartens, kindergarten-cum-child care centres and schools with kindergarten classes (hereafter collectively referred to as KGs) joining the Free Quality Kindergarten Education Scheme (Scheme) in the 2017/18 school year of the provision of a one-off start-up grant (the Grant) and the relevant arrangements.

Details

Background

2. The Free Quality Kindergarten Education Scheme will be implemented from the 2017/18 school year. With direct subsidies from the Government, KGs joining the Scheme (Scheme-KGs) are expected to improve the quality of their KG services, enhance their administration, management and accountability, and put in place a proper internal control and reporting mechanism with rigorous checks and balances. To support Scheme-KGs in taking forward related tasks, the Government will provide KGs joining the Scheme in the 2017/18 school year with a start-up grant in the 2016/17 school year.

Eligibility

3. All KGs approved to join the Scheme in the 2017/18 school year will be eligible for the start-up grant. Separate application is not required.
Amount of the Grant

4. All Scheme-KGs, regardless of their size, will need some basic funding to take forward the preparatory tasks by hiring additional supporting staff or procuring services. These tasks would be more complicated and involve more workload for Scheme-KGs of a larger scale. In addition, funding required for preparatory work for some key features of the Scheme will increase with the size of KGs, for instance, improvement in teacher-pupil ratio (from 1:15 to 1:11) may require more furniture and equipment for additional teachers. In light of the above, the Grant is provided on both a school and a per capita basis to cater for the needs of Scheme-KGs with different sizes, subject to a cap at $300,000 per Scheme-KG, as follows:

(a) on a per school basis - $200,000 for each Scheme-KG. In this connection, a registered KG, regardless of the number of registered locations under the same school registration, would be counted as one KG for the purpose of disbursement of the Grant; and

(b) on a per capita basis - $800 for each student enrolled in the Scheme-KG in the 2016/17 school year. In this connection, eligible students enrolled in the local stream of half-day and whole-day/long whole-day KG classes (including Nursery (K1), Lower KG (K2) and Upper KG (K3) classes) of all registered locations of the Scheme-KG will be counted.

Usage of the Grant

5. Scheme-KGs are expected to deploy the Grant for preparatory work in the implementation of the Scheme from the 2017/18 school year, which may include:

(a) devising/enhancing school-based administration procedures and mechanism, for instance, in respect of the accounting system/guidelines, asset register system, procurement procedures, or policies/procedures for handling personnel matters, to meet the requirements under the Scheme. The Education Bureau (EDB) will provide relevant guidelines/templates in due course;

(b) enhancing transparency of school operation by providing more information (including support for students with diverse needs, such as participation in the pilot scheme on on-site pre-school rehabilitation services) through the school website;

(c) strengthening communication with parents, non-Chinese speaking parents in particular, to, among others, comply with the guidelines concerning student admission by, for example, translating school information; or

(d) furnishing/renovating the school premises as necessary.

6. To accomplish the tasks as mentioned in paragraph 5 above, Scheme-KGs can use the Grant flexibly for employing additional staff (for instance, an accountant clerk, or administrative
assistant), hiring services, procuring furniture and equipment for additional teachers under improved teacher-pupil ratio or conducting small-scale renovation. The Grant must not be used for purposes other than the preparatory work for implementation of the Scheme, for instance, employment of additional teachers to take up class teaching, paying the cost of routine maintenance, etc., which should be borne by subsidy under the Pre-primary Education Voucher Scheme (PEVS) and school fees in the 2016/17 school year, and recurrent subsidies under the Scheme starting from the 2017/18 school year.

7. Scheme-KGs are accountable for their procurement/employment/competitive bidding arrangements as well as the proper and prudent use of public funds. They are required to comply with the guidelines drawn up by the EDB and may supplement with additional school-based procurement/employment/competitive bidding procedures having regard to their individual circumstances as necessary. In this connection, Scheme-KGs are requested to make reference to the latest “Guide to Procurement of Goods and Services and Appointment of Staff” at EDB’s website (http://www.edb.gov.hk/free-quality-kg-edu_en).

Disbursement Arrangement

8. Scheme-KGs will be provided the Grant based on student enrolment as at September 2016. For KGs under the PEVS in the 2016/17 school year, the Grant will be disbursed based on the number of students eligible for voucher subsidy in September 2016 (as confirmed by KGs in the reply to EDB’s letter dated 16 December 2016 for confirming the “Report on Pupil-eligibility for Voucher Redemption (Aug to Nov)”. For KGs not under the PEVS in the 2016/17 school year, the Grant will be disbursed according to the number of pupils enrolled in the local stream of KG classes (including Nursery (K1), Lower KG (K2) and Upper KG (K3) classes) as at September 2016 (based on the enrolment figures reported by KGs to EDB for Student Enrolment Survey 2016). The Grant will generally be disbursed in February 2017. To allow room and time for Scheme-KGs to plan and adjust school-based procedures and guidelines in the initial years of implementation, if necessary, they may use the Grant up to 31 July 2019.

Accounting and Audit Arrangements

9. Scheme-KGs are required to reflect the income and expenditure of the Grant in the audited accounts to be submitted to EDB annually. They are required to maintain separate ledger accounts to record all the income and expenditure, and surplus/deficit of the Grant. All records and related receipts/invoices should be made available to EDB for inspection when required. Detailed reporting requirements will be set out in the circular memorandum calling for submission of annual audited accounts. To facilitate schools’ preparation of separate statement of the Grant, a template will be uploaded onto EDB’s website in due course for schools’ reference.
10. Any unspent amount of the Grant as at 31 July 2019 or the date of closure/revocation/voluntary withdrawal of the KG from the Scheme, whichever is earlier, should be returned to the Government. EDB will claw back the unspent amount of the Grant based on the annual audited accounts. Scheme-KGs are required to return the amount of grants they received as specified by EDB in full to the Government if they are subsequently identified for using the grants for purposes other than specified.

11. If a Scheme-KG is revoked of its eligibility, voluntarily withdraws from the Scheme or closes, items purchased with the Grant should be handled as required by EDB. Under normal circumstances, the Scheme-KG may transfer the items to other Scheme-KGs in need of them, or donate them to charitable organisations if no other Scheme-KG is found suitable for receiving these items. The Scheme-KG shall request a formal receipt from the Scheme-KGs or charitable organisations concerned and submit the certified true copy of the receipt to their respective School Development Sections or Joint Office for Kindergartens and Child Care Centres for record purpose.

**Enquiries**

12. For enquiries on the start-up grant, please contact the Kindergarten Special Duty Section at 2892 6364 or 2892 6379.

C S WOO
for Permanent Secretary for Education