

Name of School :

**INCOME AND EXPENDITURE ACCOUNT** *Remark (i)***FOR THE YEAR ENDED 31 AUGUST 2012 / FROM \_\_\_\_\_ TO \_\_\_\_\_**

| Previous Year<br>/ Period<br>\$ |  | Government<br>Funds <i>Remark (ii)</i><br>\$ | Non-Govt Funds<br><i>Remark (iii)</i><br>\$ | Total<br>\$ | Remarks                  |
|---------------------------------|--|--|---|-------------|--------------------------|
|                                 | <b>INCOME</b>  |  |   |             |                          |
|                                 | School fees (gross)<br>Less : Provision for fee remission / scholarship scheme   |  |   |             | Statement 4 -<br>Note 8  |
|                                 | Donations<br>Rental income<br>Reimbursement of rates<br>Reimbursement of Government rent<br>DSS subsidy <i>Remark (iv)</i><br>Interest income                      |  |   |             | Statement 4 -<br>Note 7  |
|                                 | Profit from trading activities   |  |   |             | Statement 4 -<br>Note 10 |
|                                 | Income from fund raising activities for the school<br>Others (please specify, e.g. donation, dividend income)  |  |   |             | Statement 4 -<br>Note 11 |
|                                 | <b>TOTAL INCOME</b>  |  |   |             |                          |
|                                 | <b>EXPENDITURE</b>   |  |   |             |                          |
|                                 | Salaries<br>- Teaching staff<br>- Non-teaching staff   |  |   |             |                          |
|                                 | Gratuities<br>- Teaching staff<br>- Non-teaching staff   |  |   |             |                          |
|                                 | Provident fund or other retirement benefits<br>- Teaching staff<br>- Non-teaching staff  |  |   |             |                          |
|                                 | Provision for long service payment<br>- Teaching staff<br>- Non-teaching staff<br>- Underprovision of long service payment made previously                         |  |   |             |                          |
|                                 | Rent (for selected school only)  |  |   |             | Statement 4 -<br>Note 16 |
|                                 | Rates for school premises<br>Government rent for school premises   |  |   |             |                          |
|                                 | Depreciation charges<br>- School premises<br>- Furniture and equipment etc.<br>- Computer hardware and software<br>- Air-conditioning<br>- Others (please specify) |  |   |             |                          |
|                                 | Repairs and maintenance  |  |   |             | Statement 4 -<br>Note 12 |

Statement 3 and the accompanying notes in Statement 4 form an integral part of the accounts.

Name of School :

**INCOME AND EXPENDITURE ACCOUNT** *Remark (i)***FOR THE YEAR ENDED 31 AUGUST 2012 / FROM \_\_\_\_\_ TO \_\_\_\_\_**

| Previous Year<br>/ Period<br>\$ |   | Government<br>Funds <i>Remark (ii)</i><br>\$ | Non-Govt Funds<br><i>Remark (iii)</i><br>\$ | Total<br>\$ | Remarks                  |
|---------------------------------|---|--|---|-------------|--------------------------|
|                                 | <b>EXPENDITURE</b>  |  |   |             | Statement 4 -<br>Note 17 |
|                                 | Advertising   |  |   |             |                          |
|                                 | Approved repayment of interest on loan  |  |   |             |                          |
|                                 | Audit fee   |  |   |             |                          |
|                                 | Bank charges  |  |   |             |                          |
|                                 | Bank interest paid  |  |   |             |                          |
|                                 | Celebrations and entertainment  |  |   |             |                          |
|                                 | Cleaning materials, consumables and<br>first-aid                                    |  |   |             |                          |
|                                 | Curriculum development  |  |   |             |                          |
|                                 | Extra-curricular activities, prizes and sports                                      |  |   |             |                          |
|                                 | Insurance for fire, theft, public liability<br>and employees compensation           |  |   |             |                          |
|                                 | Library books, newspapers, magazines and<br>teachers' textbooks, maps, etc.         |  |   |             |                          |
|                                 | Postages and stamps   |  |   |             |                          |
|                                 | Printing and stationery   |  |   |             |                          |
|                                 | Professional fees   |  |   |             |                          |
|                                 | Staff training expenses   |  |   |             |                          |
|                                 | Travelling and transportation   |  |   |             |                          |
|                                 | Utilities (Fuel, light and power, telephone<br>and water charges)                   |  |   |             |                          |
|                                 | Wreaths, flower-baskets and similar tributes<br>on behalf of the school             |  |   |             |                          |
|                                 | Other operating expenses (please specify<br>and disclose by notes)                  |  |   |             |                          |
|                                 | <b>TOTAL EXPENDITURE</b>  |  |   |             |                          |
|                                 | DEFICIT OF GRANT ACCOUNTS (Please<br>specify by individual grant) <i>Remark (v)</i> |  |   |             |                          |
|                                 | <b>SURPLUS/(DEFICIT) FOR THE YEAR</b>   |  |   |             |                          |
|                                 | <b>SURPLUS/(DEFICIT) BROUGHT FORWARD<br/>FROM PREVIOUS YEAR</b>                     |  |   |             |                          |
|                                 | <b>ACCUMULATED SURPLUS/(DEFICIT)<br/>CARRIED FORWARD TO NEXT YEAR</b>               |  |   |             |                          |
|                                 |   | <b>Remark (vi)</b>                           |   |             |                          |

Statement 3 and the accompanying notes in Statement 4 form an integral part of the accounts.

Remark: For preparing the Income and Expenditure Account and Balance Sheet for 2011/12

- (i) For those schools with private class(es), a separate Income & Expenditure Account (i.e. Statement 1) should be prepared for such class(es). Schools are not allowed to cross-subsidise the operation of private class(es) using income/reserves sourced from the DSS classes. All common expenses should be apportioned to the private class(es) on appropriate bases. Schools should disclose in the notes to the accounts the bases for apportioning common expenses. For those schools with boarding facilities, a separate Income and Expenditure Account should also be prepared for the boarding section.
- (ii) Under government funds, the income includes reimbursement of rates and government rent, DSS subsidy, etc. Please note that only expenditure of an educational nature and relating to the DSS school places can be charged against the government funds (please refer to EDBC No. 17/2012 "Use of Government and Non-government Funds in Direct Subsidy Scheme (DSS) Schools" and Annex of Section 5 in Explanatory Notes for the DSS schools from the website of EDB - <http://www.edb.gov.hk> -> Kindergarten, Primary and Secondary Education - > Major Initiatives -> Direct Subsidy Scheme -> 1. Information for schools).
- (iii) Non-government funds include income other than the government subsidy (e.g. school fee income, trading operation, etc.) and cover expenditure not chargeable to government subsidy account (e.g. depreciation of swimming pools). For use of non-government funds, please refer to EDBC No. 17/2012 "Use of Government and Non-government Funds in Direct Subsidy Scheme (DSS) Schools".
- (iv) The DSS subsidy income should be reflected at the finalised DSS subsidy rates.
- (v) In general, the deficit of each individual grant account should be charged to non-government funds.
- (vi) According to para. 4 of Annex 4 to EDBC No. 17/2012 "Use of Government and Non-government Funds in Direct Subsidy Scheme (DSS) Schools", the year-end balance of government funds should be either a surplus or zero. Any spending in excess of the government funds should be covered by the non-government funds (i.e.: accumulative balance of government funds should be zero or at a positive balance).
- (vii) For the notes to the accounts in Statement 4, please mark "Not Applicable" if the item is not applicable to the schools.
- (viii) According to paragraph 24 of EDBC No. 16/2012 on "Delineation of Reserves and Reserve Ceiling for the Operating Reserve of Direct Subsidy Scheme (DSS) Schools", schools are required to reflect their allocation of accumulated funds and other reserves as at 31.8.2012 to Operating Reserve and four designated reserves (i.e. (i) School Fee Remission / Scholarship Reserve, (ii) Long Service Payment Reserve, (iii) Reserve for Donations with Specific Purposes, and (iv) Reserve for Construction, Maintenance and Upgrading of Above-standard Facilities) in the 2011/12 audited accounts. Please provide the details in Statement 3. The total for accumulated funds and other reserves should be matched with the total of operating and designated reserves as provided in Statement 3 in the audited accounts for 2011/12.

## Books of Account

(This template is for reference only and can be modified according to respective school conditions)

| Items | Procedure  | Yes | No | Not<br>Applicable | Remarks |
|-------|--|-----|----|-------------------|---------|
| 1     | All transactions should be recorded in the books of accounts through a computerized system on a <b>monthly basis</b> .                     |     |    |                   |         |
| 2     | All accounting records and files should be stored in the computer and <b>regular backup</b> should be performed.                           |     |    |                   |         |
| 3     | The backup tapes/floppy disks/CD-ROM should be stored <b>under lock</b> in area away from the work station.                                |     |    |                   |         |
| 4     | Only authorized person is allowed to use the computer by <b>using passwords</b> or keeping the computers in restricted area.               |     |    |                   |         |
| 5     | All hard copies of the ledgers and accounting records are printed and reviewed by Principal on a <b>monthly basis</b> and stored properly. |     |    |                   |         |
|       |  |     |    |                   |         |
|       |  |     |    |                   |         |
|       |  |     |    |                   |         |

**Budgeting**

(This template is for reference only and can be modified according to respective school conditions)

| Items | Procedure   | Yes | No | Not<br>Applicable | Remarks |
|-------|---|-----|----|-------------------|---------|
| 1     | Budgeting is usually carried out <b>once every year.</b>  |     |    |                   |         |
| 2     | School should submit the budget to SMC/IMC around April for discussion and approval   |     |    |                   |         |
| 3     | Once the SMC/IMC approved the budget, the responsible accountings clerk should then input the budget data into the computerized accounting system.  |     |    |                   |         |
| 4     | Principals or related staff should pay attention to the difference between actual and budgeted income and expenditure.  |     |    |                   |         |
| 5     | For any <b>significant variation</b> in the budgeted amount (i.e., underspending/overspending), Principal should promptly investigate, properly rectify and <b>report to the SMC/IMC.</b> |     |    |                   |         |
| 6     | School may review the approved budget at such appropriate time as deemed fit by the SMC/IMC during the school year to cater for the changed circumstances.                                |     |    |                   |         |
|       |   |     |    |                   |         |

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**Bank Account**

(This template is for reference only and can be modified according to respective school conditions)

| Items | Procedure   | Yes | No | Not<br>Applicable | Remarks |
|-------|---|-----|----|-------------------|---------|
| 1.    | All bank accounts (savings & current, fixed deposit) of school should be opened in the <b>name of the school</b> .  |     |    |                   |         |
| 2.    | The bank accounts should be operated by <b>jointly authorized signatories</b> (i.e. any two managers designated for this purpose) <b>with SMC/IMC's approval</b> . For the Current account (petty cash), it should be operated and signed by Principal plus one Senior Teacher. |     |    |                   |         |
| 3.    | Bank signatories are <b>forbidden</b> to sign blank cheques.  |     |    |                   |         |
| 4.    | Surplus funds not immediately in use should be placed in savings account/time deposits.   |     |    |                   |         |
| 5.    | All bank statements received from the bank should be <b>opened by the Principal</b> . The bank statements should then be reviewed and initialled by the Principle before they are passed to staff who is responsible for preparing bank reconciliation statements.              |     |    |                   |         |
| 6.    | Bank Reconciliation Statement (BRS) should be prepared on a <b>monthly basis</b> by the <u>  <b>X</b>  </u> calendar day of the following month. The Principal should review, initial and date the BRS within 3 working days after the preparation.                             |     |    |                   |         |
| 7.    | All bank transfer transactions should be supported by <b>HK Dollar Withdrawal Form</b> .  |     |    |                   |         |

|    |   |  |  |  |  |
|----|---|--|--|--|--|
| 8. | For any cheques which have not been cashed by the payee <b>within 1 month</b> after the issuance of the cheques (counting from cheque date) or there are other unusual circumstances items (e.g. unauthorized debits made by bank), <b>investigation</b> should be conducted accordingly.   |  |  |  |  |
| 9. | For any cheques which have not been cashed by the payee <b>within 6 months</b> after the issuance of the cheques (counting from cheque date), it will automatically become invalid and rejected by the bank. Schools should <b>delete the item</b> and make the necessary accounting entry. |  |  |  |  |
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**Fixed Assets**

(This template is for reference only and can be modified according to respective school conditions)

| Items | Procedure   | Yes | No | Not<br>Applicable | Remakes |
|-------|---|-----|----|-------------------|---------|
| 1.    | Schools should record all furniture and fixture (including teaching aids) in the <b>Fixed Asset Register (FAR)</b> .  |     |    |                   |         |
| 2.    | Every Property, Plant & Equipment (PPE) should be <b>affixed with a label</b> with the item number recorded in the FAR.   |     |    |                   |         |
| 3.    | Before disposal/transfer of only PPE, the Principal or an authorized senior staff should perform <b>physical inspection</b> on the item and satisfy himself/ herself that there exist sufficient justifications for the disposal/transfer of the PPE. |     |    |                   |         |
| 4.    | To dispose/transfer any PPE, schools should prepare a <b>Fixed Asset Disposal Form/Fixed Asset Transfer Form</b> respectively for approval by the authorized person/SMC/IMC.  |     |    |                   |         |
| 5.    | Schools should conduct physical checks regularly on all PPE in the FAR.   |     |    |                   |         |
|       |   |     |    |                   |         |

**Procurement**

(This template is for reference only and can be modified according to respective school conditions)

| Items | Particulars   | Yes | No | Not<br>Applicable | Remarks |
|-------|---|-----|----|-------------------|---------|
| 1.    | Schools have to group Goods/services of <b>same category for quotation/tender</b> before inviting suppliers to submit quotation/tender.   |     |    |                   |         |
| 2.    | All expenditure should require <b>proper authorization</b> before any contract or commitment is made with other parties.  |     |    |                   |         |
| 3.    | For purchases below \$ <b>X</b> , (financial limits to be set to serve individual school's need), the <b>Purchase Requisition Form</b> should be completed as appropriate.                            |     |    |                   |         |
| 4.    | For purchases \$ <b>X</b> or above (financial limits to be set to serve individual school's need), the <b>Purchase-by-Quotation Form</b> and Approval Record Form should be completed as appropriate. |     |    |                   |         |
| 5.    | For purchases \$ <b>X</b> or above (financial limits to be set to serve individual school's need), the <b>Tender Summary</b> and Approval Record Form should be completed as appropriate.             |     |    |                   |         |
| 6.    | In any quotation or tender exercise, clear requirements and specifications of the goods/ services needed should be provided for <b>all invited suppliers</b> .  |     |    |                   |         |
| 7.    | If it is <b>not possible to invite the minimum number</b> of quotations/tenders, an explanatory note should be written and approved by the respective authorized person/SMC/IMC.                      |     |    |                   |         |

|    |   |  |  |  |  |
|----|---|--|--|--|--|
| 8. | <b>Late tenders</b> should not be accepted.   |  |  |  |  |
| 9. | The lowest offer should be accepted. If schools have not done so, they should record the <b>reason for not selecting the lowest quotation/tender.</b> |  |  |  |  |
|    |   |  |  |  |  |
|    |   |  |  |  |  |
|    |   |  |  |  |  |

**Payment**

(This template is for reference only and can be modified according to respective school conditions)

| Items | Particulars  | Yes | No | Not<br>Applicable | Remarks |
|-------|--|-----|----|-------------------|---------|
| 1.    | The preparation and authorization of payment vouchers should be conducted by <b>different persons</b> .  |     |    |                   |         |
| 2.    | The person who receives the goods or services should ensure that they are in order before making payments.   |     |    |                   |         |
| 3.    | All invoices should be in the <b>name of the school</b> .  |     |    |                   |         |
| 4.    | Accounting clerk should attach the required supporting documents to a payment voucher (PV), which is submitted for payment approval.                           |     |    |                   |         |
| 5.    | Accounting clerk should stamp the <b>Authorization Chop</b> on every sheet of invoice and arrange the signing by respective authorized person.                 |     |    |                   |         |
| 6.    | Stamp <b>"PAID"</b> chop on every supporting document <b>immediately</b> after payment is made.  |     |    |                   |         |
| 7.    | <b>Cash advance</b> is used to pay for expenses incurred, if the suppliers only accept cash payment or for programme expenses.                                 |     |    |                   |         |
| 8.    | Accounting clerk should maintain a Deposit and Cheque Register on a <b>monthly basis</b> to record all deposits into and withdrawals from the current account. |     |    |                   |         |

|     |   |  |  |  |  |
|-----|---|--|--|--|--|
| 9.  | <b>No cheque</b> should be made payable to a <b>natural person</b> except in special circumstances.   |  |  |  |  |
| 10. | Except in exceptional circumstances and with prior approval of the Principal, employees must not use personal credit cards to pay school expenditure. |  |  |  |  |
|     |   |  |  |  |  |
|     |   |  |  |  |  |
|     |   |  |  |  |  |

**Stocks**

(This template is for reference only and can be modified according to respective school conditions)

| Items | Particulars  | Yes | No | Not<br>Applicable | Remarks |
|-------|--|-----|----|-------------------|---------|
| 1     | Schools should maintain a <b>Stock Record</b> for every type of stock items.   |     |    |                   |         |
| 2     | After every stock movement (due to purchase, sale, stocktake adjustment, write-off, etc.), Stock Records should be <b>updated</b> as soon as possible.   |     |    |                   |         |
| 3     | Stocks should be stored <b>under lock</b> .  |     |    |                   |         |
| 4     | Before disposal/write-off of any items, the authorized senior staff should perform <b>physical inspection</b> on the item and satisfy himself that there exist sufficient justifications for the disposal/write-off of such items. |     |    |                   |         |
| 5     | Stocktaking should be conducted at <b>every year end (i.e. 31<sup>st</sup> August)</b> .   |     |    |                   |         |
|       |  |     |    |                   |         |
|       |  |     |    |                   |         |

**Petty Cash**

(This template is for reference only and can be modified according to respective school conditions)

| Items | Particulars  | Yes | No | Not<br>Applicable | Remarks |
|-------|--|-----|----|-------------------|---------|
| 1     | Schools should only keep a small amount of petty cash.   |     |    |                   |         |
| 2     | Petty cash in hand should be kept <b>under lock</b> and should be kept <b>separate</b> from other cash.  |     |    |                   |         |
| 3     | Claimants should submit the Petty Cash Requisition & Reimbursement Form to claim reimbursements <b>within one month</b> after the incurrence of expenses.  |     |    |                   |         |
| 4     | The Petty Cash Requisition & Reimbursement Form should be duly signed by the authorized person; the person <b>who receives the money</b> should also sign on the form <b>with the date of receipt marked</b> . |     |    |                   |         |
| 5     | The Principal should conduct <b>at least 1 scheduled cash count</b> on petty cash in <b>every year</b> .   |     |    |                   |         |
| 6     | Schools should conduct random surprise petty cash count.   |     |    |                   |         |
| 7     | For every cash count, schools should complete a <b>Petty Cash Count Report</b> and investigate immediately if there are any discrepancies between the imprest amount and the counted amount.                   |     |    |                   |         |

## Chapter 10: Severance Payment and Long Service Payment

### Eligibility for Severance Payment and Long Service Payment

An employee is eligible for severance payment or long service payment subject to the following conditions:

| Entitlement                            | Severance Payment  | Long Service Payment   |
|--|--|--|
| <b>Qualifying period of employment</b> | not less than 24 months under a continuous contract  | not less than 5 years under a continuous contract  |
| <b>Conditions/ Requirements</b>        | The employee is dismissed by reason of redundancy*   | The employee is dismissed but : <ul style="list-style-type: none"><li>• he is not summarily dismissed due to his serious misconduct</li><li>• his dismissal is not by reason of redundancy</li></ul> |
|  | Employment contract of a fixed term expires without being renewed by reason of redundancy* | Employment contract of a fixed term expires without being renewed*   |
|  | The employee is laid off   | The employee dies  |
|  |  | The employee resigns on ground of ill health   |
|  |  | The employee, aged 65 or above, resigns on ground of old age   |

\* If not less than 7 days before the date of dismissal/ expiry of the fixed term contract in case of severance payment, and not less than 7 days before the expiry of the fixed term contract in case of long service payment, the employer has offered in writing to renew the contract of employment or re-engage him under a new contract but the employee has unreasonably refused the offer, the employee is not eligible for the entitlements.



**NOTE : An employee will not be simultaneously entitled to both long service payment and severance payment.**

***Meaning of Redundancy***

An employee is taken to be dismissed by reason of redundancy if the dismissal is due to the fact that:

- the employer closes or intends to close his business;
- the employer has ceased, or intends to cease, the business in the place where the employee was employed; or
- the requirement of the business for employees to carry out work of a particular kind, or for the employee to carry out work of a particular kind in the place where the employee was employed, ceases or diminishes or is expected to cease or diminish.

***Meaning of Lay-off***

If an employee is employed on such terms and conditions that his remuneration depends on his being provided by the employer with work of the kind he is employed to do, he shall be taken to be laid off if the total number of days on which no work is provided or no wages is paid exceeds:

- half of the total number of normal working days in any four consecutive weeks; or
- one-third of the total number of normal working days in any 26 consecutive weeks.

The days of lock-out, rest days, annual leave and statutory holidays should not be counted as normal working days during the above periods.

### **Amount of Severance Payment/ Long Service Payment**

The following formula applies to the calculation of both severance payment and long service payment:

|   |   |
|---|---|
| <b>Monthly-paid employee</b>            | (last month wages X 2/3)* X reckonable years of service   |
| <b>Daily-rated/piece-rated employee</b> | any 18 days' wages* chosen by the employee out of his last 30 normal working days X reckonable years of service |

Service of an incomplete year should be calculated on a pro rata basis.

\* The sum should not exceed 2/3 of \$22,500 (i.e. \$15,000). An employee may also elect to use his average wages in the last 12 months for the calculation.

#### **• Reckonable Years of Service**

For all manual employees and non-manual employees whose average monthly wages did not exceed \$15,000 for the 12 months preceding 8 June 1990, if the relevant date of termination of employment occurs on or after 1 October 2004, the years of service should be reckoned in full.

For non-manual employees whose average monthly wages exceeded \$15,000 for the 12 months preceding 8 June 1990, their years of service can be reckoned up to 1980.

#### **• Maximum Amount**

If the relevant date of termination of employment occurs on or after 1 October 2003, the maximum amount of severance payment or long service payment is \$390,000.

### **Payment of Severance Payment**

An employee who wishes to claim for severance payment should serve a

written notice to his employer within three months after the dismissal/ lay off takes effect. The deadline for serving such notice may be extended if approved by the Commissioner for Labour.

The employer shall make the severance payment to the employee not later than two months from the receipt of such a notice.

***Offences and Penalties***

An employer who without reasonable excuse fails to pay severance payment to an employee is liable to prosecution and, upon conviction, to a fine of \$50,000.

**Payment of Long Service Payment**

Long service payment should be paid to an employee within seven days after the date of termination of employment contract.

***Offences and Penalties***

An employer who wilfully and without reasonable excuse fails to pay long service payment to an employee is liable to prosecution and, upon conviction, to a fine of \$350,000 and to imprisonment for three years.

**Offsetting of Severance Payment/ Long Service Payment against Mandatory Provident Fund Scheme benefit, Occupational Retirement Scheme benefit or Gratuity based on length of service**

If an employee becomes entitled to severance payment or long service payment and:

- gratuities based on length of service or occupational retirement scheme benefits (excluding any part attributable to employee's contributions) have been paid to the employee; or
- accrued benefit (excluding any part attributable to employee's contributions) is being held in a mandatory provident fund scheme in respect of the employee, or has been paid to the employee,

the severance payment / long service payment is to be offset against the aforementioned amount of gratuities and benefits to the extent that they relate to the employees' years of service for which the severance payment/ long service payment is payable.



(For enquiries on application for payment of an amount from the occupational retirement scheme benefits or accrued benefit in the mandatory provident fund scheme due to severance payment / long service payment paid / payable to an employee, please contact the trustees concerned for details.)

### **Claiming Long Service Payment on the ground of Ill Health**

An employee claiming for long service payment on ground of ill health should forward to the employer a certificate in the form specified by the Commissioner for Labour and issued by a registered medical practitioner or a registered Chinese medicine practitioner, certifying that he is permanently unfit for his present job.

Regardless of whether the certificate produced by the employee was issued by a registered medical practitioner or registered Chinese medicine practitioner, an employer may, within 14 days after receiving such certificate, at the employer's own expense, arrange for the employee to attend another medical examination conducted by a registered medical practitioner or registered Chinese medicine practitioner named by the employer to obtain a second opinion as to the employee's permanent unfitness to undertake the work at issue. The employer should notify the employee in writing details of the appointment not later than 48 hours before the examination is to take place.

### **Claiming Long Service Payment in the event of the Death of an Employee**

#### ***Priority in claiming long service payment***

- 1st the spouse of the deceased employee
- 2nd children of the deceased employee (if two or more persons apply, the long service payment should be divided equally between them)
- 3rd parents of the deceased employee (if two or more persons apply, the long service payment should be divided equally between them)
- 4th the personal representative of the deceased employee

#### ***Application Procedures***

The person who wishes to claim for long service payment must serve an

application in a specified form to the employer within 30 days after the death of the employee. Where necessary, the Commissioner for Labour may extend the deadline. The form is available at any branch office of the Labour Relations Division.

The employer shall make the payment of Long Service Payment to :

|                            |  |
|----------------------------|--|
| the spouse of the employee | within 7 days after receiving the application      |
| other applicants           | within 7 days after the application period expires |

### ***Offences and Penalties***

An employer who without reasonable excuse fails to pay long service payment to the beneficiaries of a deceased employee is liable to prosecution and, upon conviction, to a fine of \$50,000.

**Personal Emoluments**

(This template is for reference only and can be modified according to respective school conditions)

| Items | Particulars  | Yes | No | Not Applicable | Remarks |
|-------|--|-----|----|----------------|---------|
| 1     | For every new staff member, schools should prepare the <b>letter of appointment</b> in duplicate for School Supervisor's approval.   |     |    |                |         |
| 2     | Salaries for teaching staff should be determined by making reference to <b>those of teachers in Government and Aided Schools</b>   |     |    |                |         |
| 3     | The Principal should keep copies of approval letters for the salary entitlements of all staff.   |     |    |                |         |
| 4     | Schools should keep attendance records including <b>up-to-date leave records</b> with cumulative leave for all staff.  |     |    |                |         |
| 5     | Schools should <b>check the monthly paylists</b> to ensure that the amounts of salaries paid to staff are correct.   |     |    |                |         |
| 6     | All salary payments should be made through <b>autopay</b> except those for <b>the first calendar month of new employees</b> and those for the <b>last calendar month of leaving staff</b> .                          |     |    |                |         |
| 7     | Schools should pay all personal emoluments (e.g. salary, allowance, untaken annual leave, Provident Fund under ORSO, long service payment) to a leaving staff <b>within 7 days after termination of employment</b> . |     |    |                |         |

**Cheque & Cash Security**

(This template is for reference only and can be modified according to respective school conditions)

| Items | Particulars  | Yes | No | Not<br>Applicable | Remarks |
|-------|--|-----|----|-------------------|---------|
| 1.    | Order <b>crossed cheque</b> books with counterfoil should be used except for replenishing petty cash float.  |     |    |                   |         |
| 2.    | Cheques should be issued in <b>sequence</b> of cheque numbers.   |     |    |                   |         |
| 3.    | Cheque stubs of all used cheque should be <b>retained</b> .  |     |    |                   |         |
| 4.    | <b>Spoiled cheques</b> should be immediately cancelled by stamping or writing in red <b>"CANCELLED"</b> across it and attached to the cheque stub.       |     |    |                   |         |
| 5.    | The Principal should keep all unused cheque books <b>under lock</b> .  |     |    |                   |         |
| 6.    | The Principal should maintain a <b>Register of Cheque Books</b> .  |     |    |                   |         |
| 7.    | For any cheque (issued/unused) found <b>lost</b> , schools should take immediate action to instruct the bank to <b>stop payment</b> .                    |     |    |                   |         |
| 8.    | Physical cash kept <b>overnight</b> in office should not be excessive and the Principal should ensure the amount kept is <b>within the insured sum</b> . |     |    |                   |         |
| 9.    | Cash held in hand should be kept <b>under lock</b> .   |     |    |                   |         |

|     |  |  |  |  |  |
|-----|--|--|--|--|--|
| 10. | Schools should keep all submitted invoices and petty cash held in hand under lock and separate it from other cash (e.g. outing fee). They should be kept in <b>different boxes</b> . |  |  |  |  |
|     |  |  |  |  |  |
|     |  |  |  |  |  |
|     |  |  |  |  |  |



**Receipts**

(This template is for reference only and can be modified according to respective school conditions)

| Items | Particulars   | Yes | No | Not<br>Applicable | Remarks |
|-------|---|-----|----|-------------------|---------|
| 1.    | Cash and cheques received are banked in full (i.e. no deduction of any payments) <b>promptly</b> .  |     |    |                   |         |
| 2.    | Money received should be shown in <b>gross</b> in accounting records (i.e. without offsetting any payments).  |     |    |                   |         |
| 3.    | Amounts received are correctly calculated and in accordance with <b>any prescribed fees and charges schedule</b> (e.g. those approved by the EDB or the schools). |     |    |                   |         |
| 4.    | Schools should enter <b>all receipts</b> by using the Receipt Batch Control Log Sheet.  |     |    |                   |         |
| 5.    | <b>No post-dated cheque</b> should be accepted.   |     |    |                   |         |
| 6.    | Uncrossed or cash cheques received should be <b>immediately</b> crossed in favour of the school and made payable to "A/C Payee Only".                             |     |    |                   |         |
| 7.    | All cash and cheques should be kept <b>under lock</b> and <b>separate from other types of cash</b> (e.g. petty cash).   |     |    |                   |         |
| 8.    | Official Receipt should be <b>pre-printed, pre-numbered and issued in sequence</b> .  |     |    |                   |         |
| 9.    | School should maintain a <b>Register of Official Receipt Books</b> .  |     |    |                   |         |

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|     |  |  |  |  |  |
| 10. | <b>Unused Official Receipt</b> books should be kept <b>under lock</b> by the Principal. Only one Official Receipt book currently in used should be kept by the Accounting Clerk.                 |  |  |  |  |
| 11. | Official Receipts <b>should not have any amendment or alteration.</b>  |  |  |  |  |
| 12. | <b>Spoiled Official Receipts</b> (i.e. receipts are cancelled because of mistake or other reasons) should be immediately cancelled by stamping <b>“CANCELLED”</b> across them.                   |  |  |  |  |
| 13. | Bank-in all collected cash and cheques promptly such that \$_____ to be banked in <b>within 14 days</b> and for \$_____ <b>or above within 7 days</b> from the <i>day of receipt</i> .           |  |  |  |  |
| 14. | <b>Official Receipts</b> should be issued for incomes by cash and cheques. As for receipts of incomes by autopay or direct transfer; schools should issue Official Receipt upon payers’ request. |  |  |  |  |
| 15. | Upon receiving cheques or cash, the accounting clerk should <b>immediately</b> record such incomes in the Daily Collection Summary (DCS).  |  |  |  |  |
| 16. | The Accounting Clerk should prepare a <b>Fee Income Report</b> for each type of fee income on monthly basis by _____ (date) <b>of the following month.</b>                                       |  |  |  |  |

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**Template for Reporting DSS Schools' Annual Financial Position**  
**Financial Summary for the \_\_\_\_\_/\_\_\_\_\_ School Year**

|  | Government Funds                    | Non-Government Funds |
|--|-------------------------------------|----------------------|
| INCOME (in terms of percentages of the annual overall income)                                      |                                     |                      |
| DSS Subsidy (including government grants not subsumed in the DSS unit rate payable to schools)     | 49%                                 | N.A.                 |
| School Fees  | N.A.                                | 40%                  |
| Donations, if any  | N.A.                                | 5%                   |
| Other Income, if any   | N.A.                                | 6%                   |
| Total  | 49%                                 | 51%                  |
|  |                                     |                      |
| EXPENDITURE (in terms of percentages of the annual overall expenditure)                            |                                     |                      |
| Staff Remuneration   | 80%                                 |                      |
| Operational Expenses (including those for Learning and Teaching)                                   | 15%                                 |                      |
| Fee Remission / Scholarship <sup>1</sup>   | 2%                                  |                      |
| Repairs and Maintenance  | 0.5%                                |                      |
| Depreciation   | 2%                                  |                      |
| Miscellaneous  | 0.5%                                |                      |
| Total  | 100%                                |                      |
|  |                                     |                      |
| Surplus/Deficit for the School Year <sup>#</sup>   | 3 months of the annual expenditure  |                      |
|  |                                     |                      |
| Accumulated Surplus/Deficit in the Operating Reserve as at the End of the School Year <sup>#</sup> | 10 months of the annual expenditure |                      |
| <sup>#</sup> in terms of equivalent months of annual overall expenditure                           |                                     |                      |

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

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<sup>1</sup> 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).