

## Notes for Aided Primary Schools

When considering whether to join the Direct Subsidy Scheme (DSS), aided primary schools are advised to note the following arrangements upon turning into DSS primary schools:

- The mode of operation of DSS primary schools should be whole-day ;
  - From the date an aided primary school converts to a DSS primary school it will cease to receive the subventions provided under the Code of Aid for Primary Schools / Aided Schools and will receive a DSS subsidy;
  - Aided primary schools will be required to arrange for a set of audited accounts to be prepared covering the period up to the last day they operate as an aided primary school. The audited accounts will be used to determine the amounts of any clawback of grants, such as the salaries grant, operating expenses block grant, capacity enhancement grant and subject grants in excess of the limits set out in the Code of Aid for Primary Schools / Aided Schools or circulars promulgating the grants. Any clawback will be recovered at the earliest possible opportunity by offsetting the amount of clawback from the DSS subsidy;
  - **The provident fund arrangements for teachers of aided schools turning into DSS schools are contained in [Administration Circular No. 26/2000](#) dated 31 May 2000; and**
  - Teaching experience in DSS primary schools will be recognized both for incremental and promotion purposes in the aided sector. DSS primary schools should state the conditions of appointment in the contracts with teachers. The annual circular on “Letters of Appointment” issued to all private schools is relevant.
2. For aided schools which apply to turn into DSS schools as from the 2001/02 school year, the following arrangements also apply:

- Ex-aided DSS schools which will receive less recurrent subsidy after joining the DSS will continue to receive recurrent subsidy as if they were aided schools for a period of five years. During this period, the school may charge fees according to the proposed income banding system detailed at [P/S Section 4](#);
- The rights of existing beneficiaries of the Mortgage Interest Subsidy Scheme in the aided school sector will be preserved when their schools change to the DSS or when they join a DSS school (details of the arrangements are at Annex II of [Circular Memorandum No. 210/2001](#) dated 28 June 2001); and
- Ex-aided DSS schools is given an option to revert to aided status only if the Government changes the formula for calculating the DSS subsidy such that the schools' financial viability is adversely affected regardless of the number of years after their joining the DSS. In other words, an aided school which is admitted into the DSS will not be allowed to revert to the aided sector for reasons other than this.