Expanded Operating Expenses Block Grant

User Guide

for Aided Schools

which have established an

Incorporated Management Committee (IMC)

Education Bureau

Updated in August 2026

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Expanded Operating Expenses Block Grant (EOEBG) User Guide

Purpose

The EOEBG aims at providing Incorporated Management Committee (IMC) schools with more financial autonomy in the deployment of funds for educational purposes.

Features

2. The EOEBG is provided to aided schools in the school year following their establishment of the IMCs. More non-salary recurrent grants that are formerly outside the Operating Expenses Block Grant (OEBG) are included in the EOEBG. The full list of constituent grants under the EOEBG is set out at **Annexes A and B**. The EOEBG includes virtually all non-salary recurrent grants to aided schools, except those which are ad-hoc in nature, those which are currently under review, and those which are paid for very specific purpose on a reimbursement basis. The demarcation between the General Domain and Special Domain adopted in the OEBG is removed in the EOEBG. The EOEBG is provided as one block grant and schools are free to deploy the funding flexibly.

3. Similar to the OEBG, schools may use the surplus under the EOEBG on items chargeable to other Education Bureau (EDB) subsidies outside the EOEBG. In addition, schools may use the surplus to top up non-recurrent expenses for projects approved/funded by EDB. However, schools should not take out a large amount of surplus under the EOEBG to top-up a single project, which might affect the opportunity for students to enjoy other educational resources they are entitled to. Subject to certain limits, schools may also use the surplus to top up recurrent expenses arising from other government-funded projects, furniture and equipment and other facilities or educational services acquired through private donations or other fund-raising schemes.

4. The computation and annual adjustment of provision of the EOEBG are simplified and based mostly on the number of approved classes, except for some school specific grants. School specific grants are grants that are of special nature and only applicable to selected schools with special circumstances. They will continue to be determined separately in accordance with the prevailing criteria applicable to each of these grants.

Ambit

5. The EOEBG covers ambits of all its constituent grants. It can be used for purposes related to teaching and learning, operation and development of the schools. For example, schools may use the EOEBG to cover expenditure incurred from operating costs such as telephone and electricity charges of the schools, procurement of consumables and teaching aids, conduct of educational programmes for their students, hiring of staff outside permanent staff establishment, procurement of stores, furniture and equipment, cleansing, security and other necessary services. It can also be

deployed to finance professional development for their staff and management, or other educational purposes endorsed by the IMCs. For employment of staff, all expenditure related to salaries, leave entitlement and statutory benefits such as Mandatory Provident Fund (MPF), long service payment and severance payment can also be covered by the EOEBG.

Principles and rules on usage

6. In exercising the flexibility in the use of resources, schools are required to consider carefully the interests of both students and staff. The annual provision of government subvention should be sufficient for schools to cover all operating expenditure. Schools should have sound financial planning and good budgeting in utilising government funding in order to meet the needs of current students as well as school development and various policy priorities. Schools are reminded to establish effective financial management processes in order to deploy their resources in a cost-effective and timely manner and to ensure that expenditures incurred are reasonable and necessary for educational purposes. While schools may retain up to twelve (12) month's provision under the EOEBG, they are not expected to keep too much surplus without specific purposes. Starting from the 2012/13 school year, schools may use the surplus of the EOEBG for the payment of statutory holidays/annual leave arising from the following types of specific no-pay leave[1] for their staff remunerated under Salaries Grant:

a. no-pay sick/maternity/special tuberculosis leave (referred to as no-pay sick leave);
b. no-pay study leave for attending education-related courses;
c. no-pay leave granted due to poor health condition with medical documentary proof; and
d. no-pay leave granted for alleviating the redundancy problem of an individual school/schools under the same Sponsor (prior confirmation from the School Development Officer concerned is required).

For no-pay leave other than the above listed, schools should take own responsibility to fulfil all statutory requirements including meeting any possible expenditure out of non-government funds.

7. Schools may use the EOEBG to subsidise students' participation in local/non-local learning activities/competitions, which may cover accommodation and travelling expenses according to the principles on usage of the EOEBG. Such arrangement should cover students' participation nominated by schools, but not those merely at the request by students; in the circumstances that the students receive sponsorship from other sources at the same time, the subsidy provided by schools should not be provided

[1] Prevailing procedures should be followed in approving no-pay leave to staff in schools. Schools should retain all supporting documents for payment arising from the above specific no-pay leave for record and inspection, if required.

in full in order to avoid double subsidy. Schools are reminded to use their resources in a prudent manner with endorsement by the IMC and they have to justify that expenditures incurred are reasonable and necessary for educational purposes. Also, they have to establish effective financial management processes in order to deploy their resources in a cost-effective and timely manner. Schools are reminded that all journeys for students' participation in local/non-local learning activities/competitions should be made by the most appropriate and economical mode of transport having regard to operational needs.

8. Schools must not use the provision to procure services or materials merely to drill students for assessments. Expenditures on celebration, entertainment, flower baskets, fruit baskets, wreaths and all other similar items for ceremonial activities or tributes to other schools should be kept to the absolute minimum. When procuring furniture and equipment items, schools should observe the principles of prudence and propriety in the management of resources and have proper checks and balances to safeguard the use of funds in view of their future development. In addition, schools must ensure that any recurrent consequences arising from exercising funding flexibility will be absorbed within the EOEBG or met by schools' own funds.

9. In utilising the funding flexibility of the EOEBG, schools are requested to take notice of the following:

a. Schools should ensure that the total spending should be kept within the amount of provision and avoid deficits as far as possible. Any deficits arising should be borne by the school's own funds.

b. Subsidy will continue to be provided for Provident Fund (PF)/MPF contributions in respect of janitors, clerical and other supporting staff employed within the provision allocated for Administration Grant/Revised Administration Grant [2]. (An illustration of how the PF/MPF contributions will be met by the subsidy from EDB and from the school's own funds is at **Annex C**.)

c. Surplus under the EOEBG can be used to top up no more than:

   i. 50% of recurrent cost arising from government-funded projects e.g. maintenance fee for computers bought with the Quality Education Fund; and

   ii. 25% of recurrent cost arising from furniture and equipment and other facilities or educational service acquired through private donations or other fund-raising schemes e.g. expenses on toner for printers from private donations.

In this connection, schools are required to establish proper procedures, objective criteria and clear approving authority for transferring the surplus out of the EOEBG.

[2] Including Administration Grant for Additional Clerical Assistant for aided secondary schools.

10. If schools deploy the school specific grants such as Capacity Enhancement Grant or Administration Grant/Revised Administration Grant or provision of baseline reference under the EOEBG to employ staff, they should set aside part of these grants/provision of baseline reference for the payment of severance payment/long service payment as outstanding commitment. In case the funds are insufficient to settle the payment, schools may deploy surplus under the EOEBG to cover the deficit[3]. Schools should keep a separate ledger for the severance payment/long service payment and work out the amount payable to each staff concerned on their cessation of service. (Points to note for severance payment/long service payment are at **Annex D**.)

11. Schools are reminded that non-education related expenditures as listed below are <u>not</u> allowed to be charged to the EOEBG:

i. provision of souvenirs to their teachers/any other staff;

ii. the cost of purchase/installation of air-conditioners in their classrooms/special rooms/halls/any other rooms, which are not related to any EDB approved programs (such as confirmed "eligible facilities" under the Air-conditioning Grant);

iii. the cost of electricity, repairs, replacement, maintenance and related expenditure for air-conditioners or any other equipment not eligible for EDB funding. Also, if schools collect air-conditioning fees from their students, the respective electricity charges and maintenance expenditure should not be charged to any funding from EDB;

iv. any additional salaries to their serving teachers from Capacity Enhancement Grant (CEG) for teaching tutorial classes to their students;

v. entertainment expenses such as lunch/dinner for staff not related to discharge of duties[4];

vi. fringe benefits/welfare for staff, including housing benefits, provision of food

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[3] If there is insufficient surplus under the EOEBG, separate subsidies are provided to aided primary, aided secondary and special schools to pay the long service payment for non-teaching staff employed under Administration Grant/Revised Administration Grant; aided primary and special schools may also claim reimbursement of the severance payment for these staff following the prevailing procedures. As for aided secondary schools, the severance payment of the non-teaching staff should be paid through Administration Grant, which is not reimbursable. For details of application, schools should refer to the Guidelines for Processing Severance Payment and Long Service Payment.

[4] As a guiding principle, entertainment expenses such as lunch/dinner for staff should not be charged to the EOEBG or any school funds account. However, under school-based management, the IMC may approve expenses on entertainment according to the needs and policy priorities of the school on condition that the expenditures incurred are reasonable and necessary for educational purposes and met in a cost-effective manner. In this connection, the expenses in respect of breakfasts/lunches/dinners incurred by school staff in relation to their discharge of duties in major school functions such as School Anniversary Dinner, Parent Teacher Association Annual Dinner, etc. can be charged to the EOEBG. Schools are required to avoid lavishness and to make conscientious decision in providing such expenses. The limits of such expenses per occasion and per head are $200 for breakfast/other official meals, $450 for lunch and $600 for dinner with service charge and tips included. The IMC is required to provide full justifications if the expenses exceed these limits.

or food allowance, medical expenses, travelling expenses[5], etc.;

vii. penalty charges, fines and interest payments;

viii. loans to staff or third parties;

ix. subscription to staff associations and professional bodies;

x. write-offs e.g. overpayments;

xi. administrative and management expenses, including salaries of staff, of the headquarters or other service units of the school sponsoring body;

xii. donations;

xiii. the cost of travelling, accommodation, provision of food and related expenses for staff in local/non-local visits that are for the purpose of leisure, instead of training; and

xiv. any other items announced via Circular/Circular Memorandum issued by EDB from time to time.

In the event that expenditure is found improperly charged to the EOEBG, EDB shall request the school concerned to explain the anomalies. In the absence of acceptable explanation, the school should make good such expenditure by charging it to its own funds.

Computation and adjustment[6]

12. For existing aided schools, the EOEBG will apply starting from **the next school year** following the establishment of IMC. For new schools, the EOEBG will apply when the schools come into operation.

13. For existing and new schools, the level of provision is normally computed as follows:

(i) for existing schools

[5] The IMC may approve travelling expenses for teachers (including related staff/caretakers of special schools, where appropriate) escorting students in study tours in relation to their discharge of duties, as well as the travelling expenses for staff on official duty or training (unless otherwise specified in the relevant guidelines issued by EDB), both local and non-local, on condition that the expenses incurred are reasonable, necessary for educational purposes and met in a cost-effective manner. The expenses can be charged to the EOEBG. However, travelling expenses incurred on journeys between home and school are normally not reimbursable. Schools are reminded that all journeys for official duty or training should be made by the most appropriate and economical mode of transport having regarded to operational needs. Schools should critically assess the necessity of providing related expenses and allocate appropriate resources according to their needs and policy priorities. They are reminded to follow established processes in approving such expenses.

[6] With a view to optimising and consolidating the use of resources, EDB will adjust the EOEBG rates for the 2026/27 school year.

A snapshot of the aggregate of prevailing provision of the constituent grants, other than the school-specific grants mentioned above, of each school concerned in the immediate past school year before the application of the EOEBG will be taken. This snapshot will be taken as level of provision and known as the **Baseline Reference**. In subsequent years, the Baseline Reference will be adjusted in accordance with the June-on-June movement of the Composite Consumer Price Index (CCPI) each year as well as the **change** in the number of approved classes multiplied by the **Average Per Class Rate** at the time. That is,

Provision of EOEBG = Baseline Reference + School Specific Grants

where

Baseline Reference	**=**	**Original Baseline Reference annually adjusted by CCPI**	**+**	**Per Class Rate**	**x**	**Change in number of classes**

However, if schools undergo major changes such as reprovisioning of school premises, the Baseline Reference may be duly adjusted to reflect the latest development or the computation method for new schools may be applied.

(*ii*) ***<u>for new schools</u>***

For a new aided school, the level of provision will be determined by a **Basic Provision (A)** and the **Average Per Class Rate (B)** multiplied by the number of approved classes **(N)**. That is,

Provision of EOEBG = A + B x N + School Specific Grants

14. The values of the A, B and rates for school specific grants will also be adjusted by the CCPI. Schools may refer to http://www.edb.gov.hk/eoebg-e for the up-to-date rates of A and B. In addition, the Permanent Secretary for Education (PS(Ed)) may adjust these rates as the situation merits, e.g. schools having more than one lift incurring higher maintenance charges, with the Set-up Fund account not being closed or whether the school is fee-charging or not.

<u>Option for developing schools</u>

15. For aided schools that are newly operated or in the midst of their development stage and have yet to attain the full range of levels of classes, they may opt for the method for the new schools or continue to adopt the method for the existing schools

when they establish their IMCs. The option is irrevocable.

Composition of constituent grants

16. Where necessary to reflect the changing educational needs, PS(Ed) may amend the constituent grants under the EOEBG, such as adding new grants for new education initiatives, deleting obsolete grants, subsuming school-specific grants into the Basic Provision (A) and/or the Average Per Class rate (B) or vice versa.

Accounting arrangements

17. Starting from the 2026/27 school year, the financial reporting requirements will be streamlined. While separate ledgers are still required for a few constituent grants, schools are only required to submit a consolidated set of financial statements for the EOEBG to the EDB. For each of the constituent grants specified in the table below, schools are required to keep a separate ledger to clearly record all the income and expenditure and, where necessary, keep a breakdown to facilitate reporting requirements (if any).

Aided primary and secondary schools：	(i) Administration Grant/ Revised Administration Grant; (ii) School-based Educational Psychology Service Grant; and (iii) Intensive Support Grant
Aided Special schools：	(i) Administration Grant/ Revised Administration Grant; (ii) Grant for Resource Support Programme (RSP) for Visually Impaired Students; (iii) Administration Grant for Enhanced Support Service for Students with Hearing Impairment; and (iv) Intensive Support Grant for Special Schools

Payment Schedule

18. Generally speaking, the annual provision of the EOEBG will normally be released to schools on a quarterly basis in September, November, February and May. Each payment shall normally be of an amount equivalent to three months' provision. For certain school specific grants where the level of provision cannot be ascertained at the beginning of a school year or in the event of overpayment, adjustment or other special circumstances, the payment schedule and the amount of payment will be adjusted

as appropriate.

19. In view of the fact that schools may establish the IMC at different times, the initial payment arrangement is as follows:

a. For existing aided schools with IMC established between 1 September and 31 July of the current school year, the EOEBG payment will start to be provided in September of the next school year and no OEBG will be paid in August.
b. For existing aided schools with IMC established between 1 August and 31 August, the schools will then receive the subsidies in August based on the OEBG formula. In November, the difference between the subsidies under the OEBG and EOEBG formula will be adjusted and then be shown on the EOEBG Allocation Advice sent to the schools.
c. For new schools with IMC starting operation in September, the EOEBG grant will be paid in September of the first school year of operation.

Surplus retention

20. Schools may retain a maximum amount of surplus of up to twelve (12) months' provision of the EOEBG for the current year (excluding funds set aside as outstanding commitment for the payment of severance payment/long service payment for staff as mentioned in paragraph 10 above). PS(Ed) may under exceptional circumstances agree that individual schools can retain surplus in excess of this level.

Evaluation and accountability

21. The implementation of the EOEBG gives schools greater autonomy in deployment of resources and, in turn, the delivery of education to their students. The quid pro quo to such autonomy is that schools have to be more transparent and accountable to the community for their performance and the use of funds. Schools must establish an accountability framework under which there are sufficient checks and balances to guard against any untoward developments. Two of the key elements of a proper accountability framework are schools' internal self-regulation and external monitoring. Self-regulation takes place through annual planning, budgeting, regular financial reporting and review by the schools themselves. With effect from the 2026/27 school year, the EOEBG will include more individual grants to provide schools with more flexibility in deploying various grants according to their development needs and priorities, thereby enabling versatile use of resources across various purposes, and achieving better synergy and efficiency. To facilitate school-based management, schools are required to use the template of EOEBG Report at **Annex E** to conduct self-evaluation on the use and effectiveness of the EOEBG annually, and to incorporate the document into the School Report for the school year. In accordance with the established practices, schools are required to submit the School Report to the IMC for endorsement and upload the endorsed report to the school website.

22. Furthermore, schools are advised to disclose financial information properly in their School Report, which is to be uploaded onto the website of the schools. The IMCs are required to submit to EDB their annual audited accounts including the information as required by EDB by the due date, which will have been audited by a certified public accountant (practising) as defined in the Accounting and Financial Reporting Council Ordinance (Cap. 588). To enhance transparency, schools are encouraged to upload their audited accounts onto their websites.

23. An IMC of a school is responsible for the proper management, administration and operation of the school. It handles funds and assets received from the Government in the capacity of a trustee. Therefore, it is obliged to hold accountable for any improper use of the public resources.

Support

24. To support the IMCs in stepping up their accountability mechanism in the wake of increased funding flexibility, reference materials on financial management are uploaded to EDB's School-based Management Information Online.

Annex A

List of Grants under the EOEBG in Aided Schools

Serial No.	Grant	Applicable		School Specific
		Pri	Sec	
1	Administration Grant for Additional Clerical Assistant	✓	✓	No
2	Administration Grant / Revised Administration Grant	✓	✓	Yes
3	Air-conditioning Grant for Preparation Room of Laboratories		✓	No
4	Capacity Enhancement Grant	✓	✓	Yes
5	Composite Furniture and Equipment Grant	✓	✓	No
6	Composite Information Technology Grant	✓	✓	Yes
7	Lift Maintenance Grant	✓	✓	No
8	Air-conditioning Grant	✓	✓	Yes
9	Programme Funds for Whole-school Approach to Guidance and Discipline	✓	✓	No
10	Recurrent English Language Grant		✓	No
11	Refund of fees for certificates on fire safety	✓	✓	No
12	Refund of fees for certificates on structural safety	✓	✓	No
13	School and Class Grant	✓	✓	No
14	School-based Support Scheme for Newly Arrived Children	✓	✓	Yes
15	Student Guidance Service Grant (including Top-up Student Guidance Service Grant)	✓		Yes
16	Training and Development Grant	✓	✓	No
17	Understanding Adolescent Project (Primary) Grant	✓		Yes
18	Boarding Grant		✓	Yes
19	Practical / Technical Subjects		✓	No
20	Enhanced Speech Therapy Grant	✓		Yes
21	Consolidated Subject Grant – Secondary		✓	No
22	School-based Educational Psychology Service Grant	✓	✓	Yes
23	School-based Management Top-up Grant	✓	✓	Yes
24	School-based Speech Therapy Administration Recurrent Grant	✓	✓	Yes

Serial No.	Grant	Applicable		School Specific
		Pri	Sec	
25	Base School School-based Speech Therapy Administration Recurrent Grant	✓	✓	Yes
26	Consolidated Subject Grant – Primary	✓		No
27	Subsidy for Opening up School Facilities for Promotion of Sports Development Scheme	✓	✓	Yes
28	School Social Work Service Grant	✓		Yes
29	Consultation Service Grant	✓		Yes
30	School Executive Officer Grant	✓	✓	Yes
31	Life-wide Learning and Sister School Grant	✓	✓	Yes
32	Diversity Learning Grant (Other Languages)		✓	Yes
33	Diversity Learning Grant (Other Programmes)		✓	Yes
34	One-off School-based Speech Therapy Set-up Grant	✓	✓	Yes
35	Additional Supplementary Learning Grant	✓		Yes
36	Further Supplementary Learning Grant	✓		Yes
37	Consolidated Home-School Co-operation Activities Grant	✓	✓	Yes
38	Intensive Support Grant	✓	✓	Yes

Remarks:

1. Provision of "Enhancement Grant" and "Supplementary Grant" will cease with effect from the 2026/27 s.y.
2. "Moral and Civic Education", "Putonghua" and "School Curriculum Development Grant" will be consolidated and renamed "Consolidated Subject Grant – Primary" with effect from the 2026/27 s.y.
3. "Consolidated Subject Grant" will be renamed "Consolidated Subject Grant – Secondary" with effect from the 2026/27 s.y.

Annex B

List of Grants under the EOEBG in Aided Special Schools

Serial No.	Grant	Applicable		School Specific
		Pri	Sec	
1	Practical / Technical Subject		✓	No
2	Activities Grant for Maladjusted Children	✓	✓	Yes
3	Administration Grant / Revised Administration Grant	✓	✓	Yes
4	Administration Grant for Additional Clerical Assistant	✓	✓	No
5	Air-conditioning Grant for Preparation Room of Laboratories		✓	No
6	Air-conditioning Grant	✓	✓	Yes
7	Capacity Enhancement Grant	✓	✓	Yes
8	Composite Furniture and Equipment Grant	✓	✓	No
9	Composite Information Technology Grant	✓	✓	Yes
10	Computers as Communication / Rehabilitation Aids *	✓		No
11	Computers for Assisted Learning Activities *	✓		No
12	Lift Maintenance Grant	✓	✓	No
13	Maintenance Grant for Sewage Treatment Plant	✓	✓	Yes
14	Programme Funds for Whole-school Approach to Guidance and Discipline	✓	✓	No
15	Refund of fees for certificates on fire safety	✓	✓	No
16	Refund of fees for certificates on structural safety	✓	✓	No
17	School and Class Grant	✓	✓	No
18	School-based Support Scheme for Newly Arrived Children	✓	✓	Yes
19	Administration Grant for Enhanced Support Service for Students with Hearing Impairment	✓	✓	Yes
20	Training and Development Grant	✓	✓	No
21	Travelling Grant for Teachers under Home-bound Teaching Programme	✓	✓	Yes
22	Understanding Adolescent Project (Primary) Grant	✓		Yes
23	Consolidated Subject Grant – Secondary		✓	No
24	School-based Management Top-up Grant	✓	✓	Yes
25	Boarding Grant for Special Schools	✓	✓	Yes

Serial No.	Grant	Applicable		School Specific
		Pri	Sec	
26	Grant for Resource Support Programme (RSP) for Visually Impaired Students	✓	✓	Yes
27	Consolidated Subject Grant – Primary	✓		No
28	Subsidy for Opening up School Facilities for Promotion of Sports Development Scheme	✓	✓	Yes
29	Consultation Service Grant	✓	✓	Yes
30	School Executive Officer Grant	✓	✓	Yes
31	Diversity Learning Grant (Other Languages)		✓	Yes
32	Diversity Learning Grant (Other Programmes)		✓	Yes
33	Life-wide Learning and Sister School Grant	✓	✓	Yes
34	Initial Grant for Resource Teaching Programme for Students with Autism Spectrum Disorder in Special Schools	✓	✓	Yes
35	Consolidated Home-School Co-operation Activities Grant	✓	✓	Yes
36	Intensive Support Grant for Special Schools	✓	✓	Yes

* For special schools only with primary classes

Remarks:

1. Provision of "Enhancement Grant" and "Supplementary Grant" will cease with effect from the 2026/27 s.y.
2. The following grants will be consolidated with effect from the 2026/27 s.y , which include : i) "Boarding Grant" and "Top-up Boarding Grant" will be consolidated and renamed "Boarding Grant for Special Schools"; ii) "Travelling Grant for Resource Teachers" and "Resource Material Grant for Visually Impaired Students" will be consolidated and renamed " Grant for Resource Support Programme (RSP) for Visually Impaired Students" ; and iii) "Moral and Civic Education", " Putonghua" and "School Curriculum Development Grant" will be consolidated and renamed "Consolidated Subject Grant – Primary".
3. "Consolidated Subject Grant" will be renamed "Consolidated Subject Grant – Secondary" with effect from the 2026/27 s.y.
4. "Intensive Support Grant for Special Schools" is provided to approved special schools on a case-by-case basis.

Annex C

Illustration of how the Provident Fund (PF) / Mandatory Provident Fund (MPF) contributions to be met by the subsidy from EDB and from the school's own funds

Claim for the 20XX/XX School Year

Name of School : XXX School

Administration Grant entitlement : $1,221,000 (based on approved classes)

Staff	Basic Salary ($)	Employer's PF/MPF Contributions ($) 5%	10%	15%	Remark
A	122,100	-	-	18,315	
B	122,100	-	-	18,315	
C	122,100	-	-	18,315	
D	122,100	-	-	18,315	
E	122,100	-	-	18,315	
F	122,100	-	-	18,315	
G	119,760	-	11,976	-	
H	117,420	5,871	-	-	
I	122,100	-	12,210	-	
J	122,100	-	12,210	-	
K	117,420	5,871	-	-	
L	2,800	-	-	-	Part-time
Total	1,334,200	11,742	36,396	109,890	

Total Employer's PF/MPF contributions paid by the school = $158,028.

EDB's calculation for subsidy on Employer's PF/MPF contributions in respect of Administration Grant

Staff		Basic Salaries ($)	PF/MPF Contributions Percentage	Subsidy on Employer's PF/MPF Contributions ($)
A		122,100	15%	18,315
B		122,100	15%	18,315
C		122,100	15%	18,315
D		122,100	15%	18,315
E		122,100	15%	18,315
F		122,100	15%	18,315
I		122,100	10%	12,210
J		122,100	10%	12,210
G		119,760	10%	11,976
H		117,420	5%	5,871
K		7,020	5%	351
	Administration Grant entitlement	1,221,000	Paid by EDB	152,508
K	Paid by school *	110,400	5%	5,520
L	Paid by school *	2,800	N.A.	0
		1,334,200		158,028

* Or out of EOEBG surplus fund.

Points to note for the severance payment and long service payment for staff paid under the EOEBG

1. Severance payment and long service payment are regulated by the Employment Ordinance (Cap. 57). As employers, schools should refer to the relevant provisions of the Employment Ordinance and ensure compliance. For quick reference about details of severance payment and long service payment, please refer to Chapter 11 of “A Concise Guide to the Employment Ordinance”[7] published by the Labour Department, which sets out the relevant provisions in simple terms. The Labour Department also provides an online calculating tool (“EasyCal”) in the thematic webpage on the abolition of MPF offsetting arrangement[8] for calculation of severance payment and long service payment for cases where the employment was terminated on or after 1 May 2025 (i.e. the effective date of the abolition of MPF offsetting arrangement), with another online calculating tool (“Statutory Employment Entitlements Reference Calculator”[9]) for calculation of severance payment and long service payment for cases where the employment was terminated on or before 30 April 2025.

2. The following should be noted in paying the severance payment/long service payment to staff employed under the EOEBG :

   (a) the salaries must be fully subvented by the government ;
   (b) the years of service counted in the calculation of severance payment/long service payment must be covered by government subsidies ; and
   (c) any gratuities and/or employer’s contribution together with interests/dividends in Provident Fund Schemes/Mandatory Provident Fund must be set off to the fullest extent permitted by the Employment Ordinance against severance payment/long service payment.

3. Schools should determine an individual’s eligibility and calculate the severance payment or long service payment in accordance with the Employment Ordinance. In case of doubt, it is the responsibility of the Supervisor to consult the Labour Department.

4. Schools should keep an updated register of staff employed under the EOEBG, with their names, posts, grant under which employed, first appointment date, last employment date, years of service, last month’s wage, accrued benefit of employer’s contribution to PF/MPF/Gratuity in the current school, amount of severance payment/long service payment set aside as outstanding commitment, actual payment, net outstanding amount and account to defray outstanding amount, etc. For the template of the register, please refer to **Annex D(i)**.

7 https://www.labour.gov.hk/eng/public/wcp/ConciseGuide/11.pdf
8 https://www.op.labour.gov.hk/en/calculator.html
9 https://www.labour.gov.hk/eng/labour/Statutory_Employment_Entitlements_Reference_Calculator.htm

5. Schools should keep a separate ledger for the severance payment/long service payment and set aside an appropriate amount of the EOEBG as outstanding commitment for the staff employed under the EOEBG. Schools may also consult external auditors for details, including how and when the provisions should be made or adjusted.

Annex D (i)

Register of staff employed under the EOEBG and their Severance Payment/ Long Service Payment as at 31.8.2026

No	Name of Staff	Post	Grant under which employed	First Appoint-ment Date	Last Appoint-ment Date	Years of Service As at 31.8.26		Last month's wage before the transition date** (HK$)	Current last month's wage (HK$)	Accrued Benefit of Employer's Mandatory Contribution to PF/MPF# (HK$)	Accrued Benefit of Employer's Voluntary Contribution to PF/MPF# (HK$)	Gratuity (HK$)	Severance Payment/ Long Service Payment as outstanding Commitment* (HK$)		Severance Payment/ Long Service Payment as outstanding Commitment* after offsetting (HK$)		Actual Payment paid (HK$)	Net outstanding amount (HK$)	Account to defray outstanding amount for Severance Payment/ Long Service Payment
						before the transition date**	since the transition date**						Amount before the transition date**	Amount since the transition date**	Amount before the transition date**	Amount since the transition date**			
1	Ms A	Teaching Assistant	CEG	1.5.2020		4 yrs & 8 mons	1yr 4 mons	15,000	15,000	54,000	0	0	46,700	13,300	0	13,300	0	13,300	CEG
2	Ms B	Clerk	AG	1.11.2021	31.8.2026	3 yrs & 6 mons	1 yr 4 mons	14,000	14,000	40,600	0	0	32,667 (Severance Payment)	12,413	0	12,413	12,413	0	AG & surplus under EOEBG
3	Mr C	Teaching Assistant	CEG	1.9.2025		NA	1 yr	NA	15,000	9,000	0	0	NA	10,000	NA	10,000	0	10,000	CEG & surplus under EOEBG
	Total															**35,713**	**12,413**	**23,300**	

On the assumption that there is no investment return derived from the accrued benefits of employer's mandatory and voluntary contribution to PF/MPF

** *Transition date refers to the effective date of the abolition of MPF offsetting arrangement, i.e. 1 May 2025.*

* *Figures are rounded up to the nearest whole number*

Annex E

Report on Expanded Operating Expenses Block Grant

(1) Points to note

Schools are required to prepare a report evaluating the use and effectiveness of the Expanded Operating Expenses Block Grant (EOEBG) based on its objectives, and incorporate the document into the School Report for the school year. In accordance with the established practices, schools are required to submit the School Report to the Incorporated Management Committee for endorsement and upload the endorsed report to the school website to enhance transparency and accountability in the spirit of school-based management. Schools should make use of the evaluation findings to inform future planning, e.g. financial planning and budgeting, and put continuous improvement into action.

The EOEBG covers the objectives of all its constituent grants, which are consolidated and listed in the table below. Schools should refer to the table and adopt a holistic approach in evaluating the use and effectiveness of the EOEBG from three aspects, namely school operation and management; learning and teaching; and student support. In addition to the objectives listed in the table, schools should provide an overall evaluation by including in the report other relevant objectives and work made possible through flexible deployment of the EOEBG and its surplus.

School work is interlocking and schools can strategically plan and flexibly deploy the EOEBG based on their development priorities and students' needs to take forward relevant work. They should therefore holistically evaluate the use and effectiveness of the EOEBG from the perspective of proper use of government resources instead of listing every single task. In addition, the EOEBG constituent grants received by each school may be different and certain constituent grants and their objectives are only applicable to some schools. Schools should take into full account the above factors when evaluating the overall use and effectiveness of the EOEBG.

	Relevant objectives
School operation and management	1. To maintain a safe, hygienic and healthy school environment, and provide necessary facilities and infrastructure to support school operation and the delivery of quality school education 2. To meet the manpower needs for school administrative work including that arising from the implementation of various education initiatives through hiring clerical staff and/ or procuring related services 3. To recruit School Executive Officers or procure school administration-related services so as to review school-based administrative arrangements and requirements, streamline administrative procedures, strengthen school administrative support and at the same time reduce the administrative work of

	teachers and principals, thereby, creating room for them to focus more on core education tasks and to take care of student development 4. To relieve teachers’ workload so that they will have enhanced capacity to concentrate on the critical educational tasks through hiring outside services and/ or personnel outside the approved staff establishment on a temporary basis 5. To develop school-based staff development plans with a view to developing the school into a professional learning community 6. To support the operation of Incorporated Management Committees and strengthen training for school managers to facilitate stakeholders’ participation in school governance 7. Other relevant objectives
Learning and teaching	1. To procure teaching aids and learning resources and/ or hire additional manpower to support curriculum implementation and enhance the effectiveness of learning and teaching 2. To support the implementation of digital education in terms of infrastructure, resources, technical support services, etc. 3. To organise student learning activities outside the classroom (including Mainland educational exchange activities, local and non-local study tours, and outdoor education camps) and arrange sister school exchange activities to enrich students’ learning experiences, help them develop lifelong learning capabilities and achieve the aim of whole-person development; and to deepen their understanding of our country and enhance their sense of national identity 4. To offer Other Languages courses and Other Programmes (Network Programmes) as senior secondary elective subjects and Other Programmes (Gifted Education Programmes) for senior secondary students 5. Other relevant objectives
Student support	1. To establish a comprehensive student guidance system by adopting a “Whole School Approach” and multidisciplinary collaboration, and integrating with other systems within the school to provide comprehensive and diversified student guidance and support services at preventive, developmental, and remedial levels, so as to enhance students’ whole-person development 2. To organise school-based guidance and discipline activities (such as the “Understanding Adolescent Project (Primary)”), to cultivate a caring school culture, nurture students’ good conduct, behaviours and attitudes, and strengthen their

	resilience 3. To provide professional consultation services (including consultation, supervision and other relevant support services) for school social workers to ensure the quality of student guidance services 4. To provide support services for meeting the learning and adaptation needs of newly-arrived children 5. To support the operation of Parent-Teacher Association and organise home-school co-operation activities and/ or parent education programmes or activities to forge home-school partnerships to foster students' joyful learning and healthy development 6. To cater for students with special educational needs and help these students overcome their limitations and difficulties and realise their potential 7. Other relevant objectives

(2) Template of EOEBG Report

	Evaluation of the use and effectiveness of the EOEBG
School operation and management	
Learning and teaching	
Student support	