

SUPPLEMENT TO

SCHOOL

ADMINISTRATION GUIDE

FOR

AIDED SCHOOLS

operated by Incorporated

Management Committee

(July 2006)

Education and Manpower Bureau

Supplement to the School Administration Guide for School Operated under Incorporated Management Committee (IMC School)

Table of Contents

	Page no.
Background	1
School Administration Guide for IMC Schools	1
List of new issues/changes with new/revised administrative procedures to be included in the SAG for IMC Schools	3
Appendix A - Guiding principles and procedures for handling cases of withholding Salary Increment of Staff	15
Appendix B - Expanded Operating Expenses Block Grant (OEBG)	17
Appendix C - Teacher Relief Grant (TRG)	26
Appendix D - Guiding principles and procedures for direct appointment of teachers to Promotion Ranks	32
Appendix E - Principles for Identifying and Deployment of Redundant Teachers	34
Appendix F - Guiding principles in handling change of rank/stepped-down case	36
Appendix G - Grant/Subsidised Schools Provident Fund for Teachers	39
Appendix H - Guidelines for Granting of Leave	41

Supplement to the School Administration Guide for School Operated under Incorporated Management Committee (IMC School)

Background

1. With effect from 1 September 2005, newly established IMC schools should try out the new Code of Aid for Aided Schools (COA for IMC schools) in which the Incorporated Management Committee (IMC) of an aided school is given greater management autonomy and flexibility in respect of administration of financial and staffing matters of the school. With the enhanced autonomy and flexibility enjoyed by IMC schools, some of the administrative procedures and practices in respect of school management detailed in the existing School Administration Guide (SAG), which is written for schools without IMC, may not be applicable to IMC schools.

School Administration Guide For IMC Schools

2. This supplement is written exclusively for IMC schools to provide the essential information which supplements the SAG on
 - new administrative procedures, with detailed operational guide and procedural manual where necessary, on new measures introduced for IMC schools;
 - revised administrative procedures on issues/measures with changes where the existing procedures as stipulated in the SAG are no longer applicable to IMC schools.

IMC schools and their management team must therefore read this Supplement in conjunction with the SAG.

3. Unless as specified in the “List of new issues/changes with new/revised administrative procedures for IMC schools” detailed below, IMC schools should continue to refer to the operational procedures and guidelines on all other issues as prescribed in the SAG in establishing transparent and accountable administrative procedures and good practices in respect of school management. For this purpose and in this particular context, the term “School Management Committee” quoted in the SAG should also refer to Incorporated Management Committee.
4. This Supplement, as with the SAG, is compiled by making reference to circulars and instructions issued by the Permanent Secretary for Education and Manpower (PSEM) from time to time to assist schools in establishing proper and accountable administrative procedures and practices in respect of school management and staffing matters. Therefore, Incorporated Management Committees and their school management

**Supplement to the School Administration Guide
for School Operated under Incorporated Management Committee (IMC School)**

personnel should abide by such rules and requirements as promulgated in those circulars and instructions which are incorporated in this Supplement and the SAG.

5. All the administrative procedures and guidelines recommended in this Supplement are subject to revision taking into account the feedback from users on their application and operation. We welcome views and suggestions to improve this Supplement as well as the SAG.

6. Updated release of the SAG for IMC schools incorporating the recommended practices as kept in this Supplement will be published in due course.

**Supplement to the School Administration Guide
for School Operated under Incorporated Management Committee (IMC School)**

List of new issues/changes with new/revised administrative procedures to be included in the SAG for IMC Schools

Section in New COA	Issue	Relevant provision in the SAG	New/Revised Administrative Procedures to be included in the SAG for IMC Schools
5.2(a)	Roles and responsibilities of an IMC in dealing with complaints from staff and the public	Section 7.9 on “Handling of complaints”	All relevant sections and provisions in the SAG still stand.
10.1(b)	Award/withhold of incremental credit	Section 7.8.5 on “General principles in taking disciplinary actions”	<p>All relevant sections and provisions in the SAG are applicable with the following revisions:</p> <p>7.8.5 (c) is revised to read</p> <p>“Subject to the provisions of the Employment Ordinance (EO) and the Code of Aid, IMC may decide on the appropriate disciplinary action to be taken in managing staff performance including:</p> <ul style="list-style-type: none"> • withholding an annual increment (IMC should refer to the principles and procedures set out in <i>Appendix A</i> in handling cases of withholding salary increment of staff); • suspending a teacher from normal duties • dismissal; and • summary dismissal.” <p>7.8.5 (d) is revised to read</p> <p>“Schools must comply with the following requirements stipulated in the Code of Aid:</p> <ul style="list-style-type: none"> • the procedures for dismissal; and • the payment of salaries on termination of service.

**Supplement to the School Administration Guide
for School Operated under Incorporated Management Committee (IMC School)**

Section in New COA	Issue	Relevant provision in the SAG	New/Revised Administrative Procedures to be included in the SAG for IMC Schools
10.2(a)	Expanded Operating Expenses Block Grant	Section 6.2.1 (b) on “Operating Expenses Block Grant”	<p>Section 6.2.1(b) is replaced as follows:</p> <p>(b) Expanded Operating Expenses Block Grant (Expanded OEBG)</p> <ul style="list-style-type: none"> • The Expanded OEBG includes virtually all non-salary recurrent grants except those which are ad-hoc in nature, those which are currently under review, and those which are paid for very specific purposes on a reimbursement basis. • Schools can use this block grant for purposes related to teaching and learning, operation and development of their schools. It can also be used to finance professional development of their teaching staff and any other educational purposes endorsed by the IMCs. Details on the principles, rules on usage, computation and adjustment methods are set out in <i>Appendix B</i>.
10.2(b)	Other Grants - Teacher Relief Grant	Nil	<p>An additional clause (h) is added to Section 6.2.1 as follows:</p> <p>(h) Teacher Relief Grant</p> <ul style="list-style-type: none"> • The Teacher Relief Grant (TRG) is a cash grant provided to enhance schools’ flexibility in the deployment of manpower.

**Supplement to the School Administration Guide
for School Operated under Incorporated Management Committee (IMC School)**

Section in New COA	Issue	Relevant provision in the SAG	New/Revised Administrative Procedures to be included in the SAG for IMC Schools
			<ul style="list-style-type: none"> • The Teacher Relief Grant consists of two components: a basic component which is an annual recurrent cash grant provided to schools for the appointment of supply teachers to cover approved leave of teachers of less than 30 days; and an optional component, for encashment of up to a maximum of 10% of the teaching establishment, on a temporary or permanent basis.
			<ul style="list-style-type: none"> • Schools will have full flexibility in using the TRG to employ temporary teaching-related staff and procure education-related services, organize staff professional development and student learning activities. • Details about the basis of calculation of the components of this grant and their use are set out in <i>Appendix C</i>.
11	Non-Recurrent and Capital Grants	Section 6.3 on “Procurement of goods and services” and Section 8.3 on “Maintenance of premises”	All relevant sections and provisions in the SAG still stand.
12.1	Government to carry the risk of damage or loss	Section 8.4.1 on “Security measures in schools” and Section 8.6 on “Insurance”	All relevant sections and provisions in the SAG still stand.

**Supplement to the School Administration Guide
for School Operated under Incorporated Management Committee (IMC School)**

Section in New COA	Issue	Relevant provision in the SAG	New/Revised Administrative Procedures to be included in the SAG for IMC Schools
13.1	General rules and requirements on appointment, promotion, resignation, retirement, termination and dismissal of staff	Section 7.2 on “Appointment, re-grading, promotion and acting appointment” and Section 7.3 on “Staff selection”	All relevant sections and provisions in the SAG still stand.
13.2(b)	Verify eligibility for appointment and assessment of salaries of staff paid under Salaries Grant	Section 7.4.2 on “Verification of qualifications and experience”	All relevant sections and provisions in the SAG still stand.
13.2(j)	Medical and X-ray examination before appointment	Section 7.4.1 on “Physical check-up”	Section 7.4.1 is revised to read as follows: “The IMC should, in consideration of maintaining a healthy school environment and in the interest of the students, decide whether to require each staff member (other than supply staff paid on daily rate) to undergo a medical examination including a chest X-ray examination by a registered medical practitioner before appointment.”
13.2(k)	Letter of Appointment or Contract of Service	Section 7.4.4 on “Employment Contract”	All relevant sections and provisions in the SAG still stand.

**Supplement to the School Administration Guide
for School Operated under Incorporated Management Committee (IMC School)**

Section in New COA	Issue	Relevant provision in the SAG	New/Revised Administrative Procedures to be included in the SAG for IMC Schools
13.3(e)	Direct appointment of teachers to promotion ranks	Section 7.2.4 on “Promotion and acting appointment” and Section 7.3 on “Staff selection”	<p>All relevant sections and provisions in the SAG are applicable with a new Section 7.2.5 added as follows:</p> <p>7.2.5 Direct appointment of teachers to promotion ranks</p> <p>“For direct appointment of teachers to promotion ranks, IMC should follow detailed procedures as set out in “Guiding principles and procedures for direct appointment of teachers to promotion ranks” in <i>Appendix D</i>.</p>
13.6(b)	Deployment of teaching staff	Nil	<p>A new Section 7.11 is added as follows:</p> <p>7.11 Deployment of redundant teacher</p> <p>“When such circumstance arises that there is/are over-ranked principal/redundant teacher(s) in the school and that they have to be deployed to other schools operated under the same sponsoring body so as to avoid or alleviate over-establishment of staff as provided under section 40AG of the EO, the IMC should ensure that the deployment is conducted in an objective, fair and transparent manner. The IMC should also ensure that the school has put in place a set of objective, fair and transparent “school-based criteria” in identifying the sequence of teachers to become redundant before handling their deployment. Schools should refer to the procedures as set out in “Principles for identifying, deployment and arrangement of redundant teachers” in <i>Appendix E</i>” in handling such cases.</p>

**Supplement to the School Administration Guide
for School Operated under Incorporated Management Committee (IMC School)**

Section in New COA	Issue	Relevant provision in the SAG	New/Revised Administrative Procedures to be included in the SAG for IMC Schools
13.7	Change of Rank within Grade	Nil	<p>A new Section 7.12 is added as follows –</p> <p>7.12 Change of Rank within Grade</p> <p>(a) Change of rank within grade refers to such situation where a staff member (including principal of a school) steps down from a higher rank to a lower rank within his/her serving grade e.g. graduate or non-graduate grade.</p> <p>(b) Such stepping down from a higher rank to a lower rank may arise in the following circumstances:</p> <p>(i) Reduction of classes which affects the headship entitlement and/or the number and rank of promotion posts of a school;</p> <p>(ii) The staff member requests to step down from a higher rank voluntarily;</p> <p>(iii) IMC requests a staff member to step down to a lower rank.</p>
			<p>(c) For stepping down of staff in the case of (b) (iii) above, IMC must ensure that such case is handled conscientiously with the consent of the majority of IMC members following the “Guiding principles in handling change of rank/stepped-down case” as set out in Appendix F and that all relevant legislations and ordinances have been fully complied with.</p>

**Supplement to the School Administration Guide
for School Operated under Incorporated Management Committee (IMC School)**

Section in New COA	Issue	Relevant provision in the SAG	New/Revised Administrative Procedures to be included in the SAG for IMC Schools
13.9	<p>Leave</p> <p>(a) On submission of leave record</p> <p>(b) On approval of no-pay leave</p>	Section 7.5.3 on “Leave matters”	<p>All relevant sections and provisions in the SAG are applicable with the following revisions:</p> <p>7.5.3 (c) is revised to read</p> <p>“Schools are required to send to the EMB records of leave granted to staff for PSEM’ s endorsement by August each year.”</p> <p>Appendix 8(b) of Section 7 –</p> <p>The table on “Approving authority for granting leave” is revised by replacing “No-pay sick leave, maternity leave, tuberculosis leave and study leave” under type of leave of teaching staff by “All no-pay leave”.</p>
13.11(a)	Employment of short-term supply staff	Section 7.2.1(f) on “Appointment of supply teacher”	<p>Section 7.2.1(f) is revised to read as follows:</p> <p>(f) Appointment of supply teacher</p> <ul style="list-style-type: none"> • With the introduction of TRG, IMC schools are provided with an annual recurrent cash grant for the employment of fixed daily-rated supply teachers to substitute for teachers on approved leave lasting for less than 30 days. Application for reimbursement of payment for employment of supply teacher is no longer required. • Under the arrangement of TRG, employment of supply teacher is no longer confined to teacher on approved leave for three consecutive calendar days or more. Nevertheless, in most cases, the “three consecutive calendar days” criterion may still be taken as a point of reference if IMC would like to maintain a prudent use of the TRG.

**Supplement to the School Administration Guide
for School Operated under Incorporated Management Committee (IMC School)**

Section in New COA	Issue	Relevant provision in the SAG	New/Revised Administrative Procedures to be included in the SAG for IMC Schools
			<ul style="list-style-type: none"> • IMC should ensure that fair and reasonable criteria for approving the employment of daily-rated supply teachers to substitute for teachers on approved leave have been put in place in the school and that such criteria are made open and consistently applied in handling arrangement of supply teachers for teachers on leave. • For the employment of supply teachers paid on fixed daily rate basis, school should observe the principles set out in the “Guide to salary assessment” and relevant circulars announcing the daily rates of pay for supply staff issued from time to time.
13.12	Provident Fund and Mandatory Provident Fund	Section 7.5.4 on "Provident Fund Scheme for teaching staff" and Section 7.5.5 on "Provident Fund Scheme for non-teaching staff".	<p>All relevant provisions in the SAG are applicable with the following revisions:</p> <p>7.5.4 (a) is revised to read as</p> <p>“All teaching staff are required to join the Provident Fund Scheme and contribute to either the Grant Schools Provident Fund or the Subsidized Schools Provident Fund, except for those aged over 55 on first appointment to aided schools, those employed on temporary basis, those employed on gratuity-bearing contract terms or those paid by grants other than the Salaries Grant. An extract from the Provident Fund Rules stating the benefits that a teacher-contributor may receive from the Fund is in <i>Appendix G</i>.”</p>

**Supplement to the School Administration Guide
for School Operated under Incorporated Management Committee (IMC School)**

Section in New COA	Issue	Relevant provision in the SAG	New/Revised Administrative Procedures to be included in the SAG for IMC Schools
14.1(c)	Financial management	Section 6.5 on “Guiding principles relating to Internal Control”	Replaced by the Manual for Financial Management.
14.5(b)	Accounting and auditing	Section 6.4 on "Accounting and financial control".	Replaced by the Manual for Financial Management.
14.6	Compliance with Public Accounting Procedures for procedures for procurement of stores and equipment	Section 6.3 on “Procurement of goods and services”	All relevant sections and provisions in the SAG still stand.
15	Student Matters	Section 3.on “Student Matters”	<p>All relevant sections and provisions in the SAG are applicable with the following revisions:</p> <p>Title of Section 3.8.2 is revised to read “Senior Secondary Fee Remission Scheme and Boarding Fee Remission” and additional clauses (c) and (d) are added as follows:</p> <p>(c) If senior secondary students submit eligibility certificates issued by the Student Financial Assistance Agency and apply for fee remission of tuition fees, the principal is advised to effect their entitlement in accordance with the level of assistance as indicated in their respective eligibility certificates and maintain a register of such remission.</p>

**Supplement to the School Administration Guide
for School Operated under Incorporated Management Committee (IMC School)**

Section in New COA	Issue	Relevant provision in the SAG	New/Revised Administrative Procedures to be included in the SAG for IMC Schools
			<p>(d) “The Principal may approve fee remission of boarding fees in respect of students in need, and shall maintain a register of such remission. The students’ eligibility certificates may be used as reference to assess their eligibility for the fee remission. The permitted level of fee remission of boarding fees is 10% of the total fee income which means the maximum fee payable times the approved enrolment. However, approval may be sought to vary the level of fee remission in special cases.”</p>
15.4	School days and school holidays	Section 1 (item 2 under General Administration in the Appendix on “Summary of Major Requirements for School Operation”) and Section 3.2.2 on “Attendance”	<p>All relevant sections and provisions in the SAG are applicable with the following revisions:</p> <p>A new Section 3.2.3 is added as follows:</p> <p>3.2.3 School days and school holidays</p> <p>(a) The IMC should ensure that in drawing up the school calendar and the school holiday list, the interests of students, teachers and other stakeholders are duly considered as well as the quality of learning and the maximization of learning time, which are equally important.</p> <p>(b) IMC should ensure that the school holiday list includes the general holidays gazetted by the Government of the Hong Kong</p>

**Supplement to the School Administration Guide
for School Operated under Incorporated Management Committee (IMC School)**

Section in New COA	Issue	Relevant provision in the SAG	New/Revised Administrative Procedures to be included in the SAG for IMC Schools
			<p>Special Administrative Region and other requirements and recommendations regarding planning of school days and other school holidays as announced by PSEM through circular.</p> <p>(c) The school should refer to the following details in calculating school holidays:</p> <ul style="list-style-type: none"> (i) The number of school holidays, which should include public holidays, shall be 90 days a year, with three additional discretionary holidays. (ii) There should be no less than 190 school days for whole-day schools and 209 days for bi-sessional primary schools. (iii) The dates and occasions of discretionary holidays, as well as the duration and the intended dates of school-based staff development days should be stated clearly in the school calendar. If school cannot fix the exact dates for staff development days at the beginning of the school year, the information on the number of such development days and whether or not students need to attend school should also be given in the calendar. <p>The original Section 3.2.3 on “Transfer of students” is re-numbered as 3.2.4</p>

**Supplement to the School Administration Guide
for School Operated under Incorporated Management Committee (IMC School)**

Section in New COA	Issue	Relevant provision in the SAG	New/Revised Administrative Procedures to be included in the SAG for IMC Schools
16.2	Use of fund on maintenance works	Section 8.3 on "Maintenance of premises"	All relevant sections and provisions in the SAG still stand.
16.3	Change of room use	Section 8.2.3 on "Change of room use"	All relevant sections and provisions in the SAG still stand.
16.4	Use of school premises for public and educational purposes	Section 8.2 on "Use of school premises".	All relevant sections and provisions in the SAG still stand.

Guiding principles and procedures for handling cases of withholding Salary Increment of Staff

General Principles

1. The IMC should fully understand that withholding salary increment of a staff member is one of the disciplinary actions taken on staff with persistent substandard performance. Such disciplinary action should be exercised with extreme prudence and care.
2. The IMC should remind its staff that salary increment is not granted automatically but awarded with regard to the staff's actual performance. In this connection, the IMC should ensure that proper performance management system has been put in place for the staff and that stringent standards are applied to the monitoring and assessment of performance. Where a staff member is not performing satisfactorily, he/she should be advised of the failings, and helped to improve his/her performance through guidance and close supervision by his/her senior.
3. The IMC should also ensure that the expected standards of performance and a system of clear, objective and reasonable criteria for measuring substandard performance leading to withholding of salary increment of staff are worked out and clearly communicated to their staff beforehand. In any case, disciplinary action such as withholding salary increment taken against any staff should not come as a surprise to the staff concerned. An appeal mechanism should be put in place for handling appeal from staff concerned.
4. The decision to withhold salary increment of a staff member should be supported and approved in advance by majority of the IMC members at a meeting with all decision and documents properly recorded.

Points to note in handling withhold of increment

5. In handling withhold salary increment of staff, IMC should consider the following necessary steps:
 - (a) A performance appraisal system has been put in place in the school;
 - (b) Clear, objective and reasonable criteria for measuring substandard performance leading to withholding increment of staff member has been worked out;
 - (c) Warning is given to the staff member concerned that his/her performance is not up to the required standard for award of increment and that IMC has the intention to withhold his salary increment;
 - (d) A grace period is given for the staff member concerned to make improvement during which the supervisor of the staff member concerned should make every effort to provide support and guidance to help the staff member to make improvement;
 - (e) Reassess the staff member's performance upon expiry of the grace period;

- (f) IMC to decide whether the staff member still deserves withholding of increment at a meeting:
- (i) If no, withdraw the intention and give the staff member the salary increment due to him on the incremental date.
 - (ii) If yes, notify him in writing **well in advance** before the next incremental date that his/her next salary increment will be withheld giving details as follows-
 - reasons and grounds for the decision;
 - effective date of withholding increment (this should be the incremental date of the staff concerned);
 - length of the period of withholding (should be in completed months with end date);
 - conditions for early withdrawal or continuation of the withholding period, if any.
- (g) Inform the Funds Section of the EMB via REO of the case in writing immediately giving the following details for the purpose of salary administration –
- Name, ID No. and rank of the staff concerned;
 - Effective date of withholding salary increment;
 - Salary point as at the effective date of withholding increment;
 - Length of the period of withholding (in completed month(s) with end date)
 - Date of next increment (please refer to paragraph 6 below)
6. The IMC should note that the period of withholding salary increment of staff should not be more than six months. Unless with strong justification that the staff member should warrant an extension of the period of withholding, he/she should receive his/her increment with effect from the end date of the withholding period as specified in the letter to the EMB. In all cases, the original incremental date of the staff concerned (i.e. the date on which he is eligible to receive the next salary increment) should remain unchanged.
7. If at the end of the withholding period the staff member concerned still shows no improvement in his/her performance and that the IMC decides to extend the period of withholding his/her salary increment, subject to such conditions as prescribed in the letter to the staff concerned mentioned in (f) (ii) above, the IMC should inform the staff and the Funds Section immediately following procedures as in (f) (ii) and (g) above.

Expanded Operating Expenses Block Grant (OEBG)

Purpose

The Expanded OEBG aims at providing IMC schools with more financial autonomy in the deployment of funds for educational purposes.

Features

2. The Expanded OEBG 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 full list of constituent grants under the Expanded OEBG is set out **at Annexes A and B**. There is no demarcation between the General Domain and Special Domain in the Expanded OEBG. The Expanded OEBG is provided as one block grant and schools are free to deploy the funding flexibly.

3. Schools may use the surplus under the Expanded OEBG on items chargeable to other EMB subsidies outside the Expanded OEBG. In addition, schools may use the surplus to top up non-recurrent expense for projects approved/funded by EMB. 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 Expanded OEBG are based mostly on the number of operating classes, except for some school specific grants i.e. grants that are of special nature and only applicable to selected schools with special circumstances. These school specific grants will continue to be determined separately in accordance with the prevailing criteria applicable to each of these grants.

Ambit

5. The Expanded OEBG 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 examples, schools may use the Expanded OEBG to cover expenditure incurred from operating cost such as telephone and electricity charges of the schools, procurement of consumables and teaching aid, conduction 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 teaching staff and any 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, long service payment and severance payment can also be covered by the Expanded OEBG.

Principles and rules on usages

6. Schools should always put the interest of students as the first priority. They should ensure that the expenditure incurred is reasonable and necessary for educational purposes. Expenditures on celebration, entertainment, flower baskets, fruit baskets wreaths and all other similar items for ceremonial activities or tributes to other schools are kept to the absolute minimum. Schools should set their own spending priorities and allocation in a cost effective manner, having regard to the objectives and policies laid down in the School Development Plan and Annual School Plan.

7. In utilizing the funding flexibility of the Expanded OEBG, 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 school own funds or by the school sponsoring body (SSB).
- b. Subsidy will continue to be provided for Provident Fund/MPF contributions in respect of janitors, clerical and other supporting staff employed within the provision allocated for the school-specific Administration Grant/Revised Administration Grant
- c. Surplus under the Expanded OEBG can be used to top up no more than:
 - i. 50% of recurrent cost arising from government-funded projects; 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.

In this connection, schools should establish proper procedures, objective criteria and clear approving authority for transferring the surplus out of the Expanded OEBG.

8. Schools are reminded that non-education related expenditure as listed below are not allowed to be charged to the Expanded OEBG:

- i. fringe benefits for staff, including housing benefits, provision of food allowance, travelling allowance, medical expenses etc;
- ii. loans to staff or third parties;
- iii. contribution of salaries of staff in the headquarters or other service units of the school sponsoring body;
- iv. donations; and
- v. any other items announced via Circular/Circulars Memorandum issued by EMB from time to time.

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

Computation and adjustment

9. The constituent grants of the Expanded OEBG for aided mainstream and special schools are set out at Annexes A and B respectively. Existing aided schools will receive the Expanded OEBG starting from **the next school year** following their establishment of IMC whereas new schools will receive the Expanded OEBG when the schools come into operation.

10. For both existing and new schools, the level of provision of the school specific grants, if applicable, will continue to be determined separately in accordance with the prevailing criteria applicable to each of these grants. In addition,

(i) for existing schools

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 Expanded OEBG 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 operating classes multiplied by the **Average Per Class Rate** at the time. That is,

$$\text{Provision of Expanded OEBG} = \text{Baseline Reference} + \text{School Specific Grants}$$

$$\text{Annually adjusted Baseline Reference} = \text{Original Baseline Reference adjusted by CCPI} + \text{Per Class Rate} \times \text{Change in number of classes}$$

(ii) for new schools

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

$$\text{Provision of Expanded OEBG} = A + B \times N + \text{School Specific Grants}$$

11. The values of the A, B and rates for school specific grants will also be adjusted by the CCPI. In addition, PSEM may adjust these as the situation merit, e.g. schools having more than one lift incurring higher maintenance charges or with the Set-Up Fund account not being closed.

12. School should refer to the relevant circular on Expanded OEBG for the values of A and B for different types of schools for the school year concerned. For the 2005/06 price level, school may refer to EMBCM 173/2005 for details.

Option for developing schools

13. For aided schools that are newly operated or in the midst of their developmental stage and have yet to attain the full range of levels of classes, they may opt for the method for new schools or continue to adopt the method for existing schools when they establish their IMCs. The option is irrevocable.

Composition of constituent grants

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

Accounting arrangements

15. The annual provision of the Expanded OEBG will normally be released to schools on a quarterly basis in September, November, February and May. Each payment should 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.

16. Schools should keep a separate ledger to clearly record all the income and expenditure chargeable to the Expanded OEBG. While the demarcation of the General Domain and Special Domain is removed, schools are advised to take into consideration that schools may be required to report on the expenditure specified for programmes under certain school specific grants like Capacity Enhancement Grant. As such, schools should devise their books and accounts in a way that can facilitate them to fulfil the reporting requirements, where necessary.

Surplus retention

17. Schools may retain a maximum surplus of up to 12 months' provision of the Expanded OEBG for the year in which the grant is provided. PSEM may under exceptional circumstances agree that individual school can retain surplus in excess of this level.

Accountability

18. The implementation of the Expanded OEBG gives schools greater autonomy in the deployment of resources and, in turn, the delivery of education to their students. The

quid pro quo to such an 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 and review by the schools themselves.

19. For external monitoring, schools are required to disclose financial information properly in their Annual School Plan and the Annual School Report, which are to be uploaded onto the website of schools. In addition, IMCs are also required to submit to the EMB their annual accounts including the information as required by the EMB, which will have been audited by a certified public accountant (practising) as defined in the Professional Accountants Ordinance (Cap. 50).

20. The 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 accountability for any improper use of the public resources.

Support

21. To support IMCs in stepping up their accountability mechanism in the wake of increased funding flexibility, guidelines on financial management (including principles of disclosure and accounting convention, and performance indicators) and the setting up of an internal control system with clear delineation of roles and responsibilities will be uploaded to EMB Homepage in due course for schools' reference.

List of Grants under Expanded OEBG in Aided Mainstream Schools

Serial No.	Grant	Applicable		School Specific
		Pri	Sec	
1	Accommodation and Catering Services		✓	No
2	Advanced Level (AL) Biology		✓	No
3	AL Chemistry (Teacher Assessment Scheme)		✓	No
4	AL Computer Studies		✓	No
5	AL Engineering Science		✓	No
6	ASL Chemistry		✓	No
7	ASL Chinese History*		✓	No
8	ASL Chinese Language and Culture		✓	No
9	ASL Computer Applications		✓	No
10	ASL Design and Technology		✓	No
11	ASL Electronics		✓	No
12	ASL Ethics and Religious Studies		✓	No
13	ASL Government and Public Affairs		✓	No
14	ASL History*		✓	No
15	ASL Liberal Studies*		✓	No
16	ASL Literature in English		✓	No
17	ASL Music		✓	No
18	ASL Use of English		✓	No
19	ASL Visual Arts		✓	No
20	Computer and Information Technology		✓	No
21	Computer Literacy		✓	No
22	Design and Technology		✓	No
23	Electronics and Electricity		✓	No
24	Engineering Science		✓	No
25	Fashion and Clothing		✓	No
26	Home Economics		✓	No
27	Integrated Science		✓	No
28	Moral and Civic Education	✓	✓	No
29	Putonghua	✓	✓	No
30	Technological Studies		✓	No
31	Textiles		✓	No
32	Visual Arts		✓	No

Serial No.	Grant	Applicable		School Specific
		Pri	Sec	
33	Administration Grant for Academically Low Achievers		✓	Yes
34	Administration Grant for additional Clerical Assistants		✓	No
35	Administration Grant/Revised Administration Grant	✓	✓	Yes
36	Air-conditioning Grant for Preparation Room of Laboratories		✓	No
37	Capacity Enhancement Grant	✓	✓	Yes
38	Chinese Extensive Reading Scheme	✓	✓	No
39	Composite Furniture and Equipment Grant*	✓	✓	No
40	Composite Information Technology Grant	✓	✓	Yes
41	Consumables for IT Learning Centres		✓	No
42	English Extensive Reading Scheme	✓	✓	No
43	Enhancement Grant	✓	✓	No
44	Lift Maintenance Grant	✓	✓	No
45	Noise Abatement Grant	✓	✓	Yes
46	Programme Funds for Whole-school Approach to Guidance and Discipline	✓	✓	No
47	Recurrent English Language Grant		✓	No
48	Refund of fees for certificates on fire safety*	✓	✓	No
49	Refund of fees for certificates on structural safety*	✓	✓	No
50	School and Class Grant	✓	✓	No
51	School Curriculum Development Grant	✓		No
52	School-based Remedial Support Programme		✓	Yes
53	School-based Support Scheme for Newly Arrived Children	✓	✓	Yes
54	Student Guidance Service Grant	✓		Yes
55	Supplementary Grant	✓	✓	No
56	Training and Development Grant	✓	✓	No
57	Understanding Adolescent Project (Primary) Grant	✓		Yes
58	Whole-school Approach to Integrated Education	✓	✓	Yes
59	Boarding Grant		✓	Yes
60	Practical/Technical Subjects		✓	No

* Grants newly included in the Expanded OEBG.

List of Grants under Expanded OEBG in Aided Special Schools

Serial No.	Grant	Applicable		School Specific
		Pri	Sec	
1	Accommodation and Catering Services		✓	No
2	Advanced Level (AL) Biology		✓	No
3	AL Chemistry (Teacher Assessment Scheme)		✓	No
4	AL Computer Studies		✓	No
5	AL Engineering Science		✓	No
6	ASL Chemistry		✓	No
7	ASL Chinese History*		✓	No
8	ASL Chinese Language and Culture		✓	No
9	ASL Computer Applications		✓	No
10	ASL Design and Technology		✓	No
11	ASL Electronics		✓	No
12	ASL Ethics and Religious Studies		✓	No
13	ASL Government and Public Affairs		✓	No
14	ASL History*		✓	No
15	ASL Liberal Studies*		✓	No
16	ASL Literature in English		✓	No
17	ASL Music		✓	No
18	ASL Use of English		✓	No
19	ASL Visual Art		✓	No
20	Computer and Information Technology		✓	No
21	Computer Literacy		✓	No
22	Design and Technology		✓	No
23	Electronics and Electricity		✓	No
24	Engineering Science		✓	No
25	Fashion and Clothing		✓	No
26	Home Economics		✓	No
27	Integrated Science		✓	No
28	Moral and Civic Education	✓	✓	No
29	Practical/Technical Subject		✓	No
30	Putonghua	✓	✓	No
31	Technological Studies		✓	No
32	Textiles		✓	No

Serial No.	Grant	Applicable		School Specific
		Pri	Sec	
33	Visual Arts		✓	No
34	Activities grant for maladjusted children	✓	✓	Yes
35	Administration Grant/Revised Administration Grant	✓	✓	Yes
36	Air-conditioning Grant for Preparation Room of Laboratories		✓	No
37	Air-conditioning Grant for schools for physically disabled /severely mentally handicapped children	✓	✓	Yes
38	Boarding Grant	✓	✓	Yes
39	Capacity Enhancement Grant	✓	✓	Yes
40	Chinese Extensive Reading Scheme	✓	✓	No
41	Composite Furniture and Equipment Grant*	✓	✓	No
42	Composite Information Technology Grant	✓	✓	Yes
43	Computers as Communication/Rehabilitation Aids	✓	✓	No
44	Computers for Assisted Learning Activities	✓	✓	No
45	English Extensive Reading Scheme	✓	✓	No
46	Enhancement Grant	✓	✓	No
47	Lift Maintenance Grant	✓	✓	No
48	Maintenance Grant for Sewage Treatment Plant	✓	✓	Yes
49	Noise Abatement Grant	✓	✓	Yes
50	Programme Funds for Whole-school Approach to Guidance and Discipline	✓	✓	No
51	Refund of fees for certificates on fire safety*	✓	✓	No
52	Refund of fees for certificates on structural safety*	✓	✓	No
53	Resource Material Grant for visually impaired students	✓	✓	Yes
54	School and Class Grant	✓	✓	No
55	School Curriculum Development Grant	✓		No
56	School-based Support Scheme for Newly Arrived Children	✓	✓	Yes
57	Supplementary Grant	✓	✓	No
58	Supportive Remedial Service for hearing impaired pupils attending ordinary schools	✓	✓	Yes
59	Training and Development Grant	✓	✓	No
60	Travelling Grant for Certificated Master/Mistress teaching home-bound pupils	✓	✓	Yes
61	Travelling Grant for resource teachers	✓	✓	Yes
62	Understanding Adolescent Project (Primary) Grant	✓		Yes

* Grants newly included in the Expanded OEBG.

Teacher Relief Grant (TRG)

Features

1. An annual recurrent cash grant under the TRG is provided to each IMC school to cover approved leave of eligible teachers. With the TRG, schools are no longer required to apply for reimbursement of supply teachers to substitute for teachers on leave lasting for less than 30 days. Schools are allowed to claim reimbursement from EMB for appointing supply teachers for regular teachers on maternity leave, sick leave and other approved leave lasting for 30 days or more. For leave of 30 to 89 days, expenses incurred for the employment of daily-rated supply teachers can be reimbursed. For leave of 90 days or more, expenses for monthly term temporary replacements can be reimbursed.
2. With the consent of the IMC, majority of teachers and parents in advance, schools may opt to obtain a cash grant by freezing up to 10 % of their approved teaching establishment with enhanced rates of computation. In this connection, the existing arrangement of Substitute Teacher Grant (STG) is replaced by the TRG for IMC schools.

Ambit

3. Schools can use the TRG to appoint temporary supply teachers or teaching-related staff. They can also have full flexibility in using the TRG to procure education-related services or employ other staff like social workers, educational psychologists, professional tutors for career-oriented studies, etc. to meet their school-based needs and requirements of the various new initiatives, including the new academic structure for senior secondary education. If the TRG is used for employment of staff, expenditures like salaries, contribution to Mandatory Provident Fund, and any statutory benefits conferred by the Employment Ordinance should be met by the TRG.

Principles and rules on usages

4. Similar to the Expanded OEBG, schools should always put the interest of students as the first priority. They should ensure that the expenditure incurred is reasonable and necessary for educational purposes. Schools should ensure that the total spending be kept within the amount of provision and avoid deficits as far as possible. Schools may use of the surplus under the Expanded OEBG to top up the TRG. If there is still unsettled deficit, it has to be borne by the school's own funds.
5. In the event that there is surplus under the TRG, schools should deploy the surplus to the permitted use of the TRG only and cannot use it for purposes outside of the TRG.

Computation and adjustment

6. The TRG is made up of two components –

(a) An annual recurrent cash grant

This is mainly for teachers on leave and calculated as follows –

$$\begin{array}{|c|} \hline 2.5 \\ \hline \text{man-days} \\ \hline \end{array} \times \begin{array}{|c|} \hline \text{Number of teachers on the} \\ \hline \text{approved establishment and} \\ \hline \text{temporary teachers} \\ \hline \text{employed under specified} \\ \hline \text{fund*} \\ \hline \end{array} \times \begin{array}{|c|} \hline \text{Daily rate of} \\ \hline \text{pay for the} \\ \hline \text{respective} \\ \hline \text{grades of} \\ \hline \text{supply teachers} \\ \hline \end{array}$$

* *Specified fund refers to those government funds/grants approved by the PSEM for inclusion in the computation.*

(b) An optional cash grant

This is for freezing of posts and calculated as follows –

$$\begin{array}{|c|} \hline \text{Respective} \\ \hline \text{teaching posts} \\ \hline \text{to be frozen} \\ \hline \end{array} \times \begin{array}{|c|} \hline \text{Frozen period} \\ \hline \end{array} \times \begin{array}{|c|} \hline \text{Respective} \\ \hline \text{rates as} \\ \hline \text{detailed in (i)} \\ \hline \text{to (iii)} \\ \hline \end{array}$$

- (i) for **permanent** freezing, which is irrevocable, the rate is the **mid-point salary**¹ of the posts concerned;
- (ii) for **temporary** freezing for **30 to 89** days, the rate is the standard daily rates of supply teacher; and
- (iii) for **temporary** freezing for **90** days or more, the rate is the **average monthly salary point**² of temporary teachers in the event of basic ranks, or at the starting salary point of the relevant promotion ranks in the event of promotion ranks.

7. The average monthly salary points for the purposes of calculating the optional cash grant will be reviewed every 3 years and revised if necessary. As for the actual amount of the standard daily rates of supply teachers and various rates for freezing, they are adjusted in accordance with the civil service salary.

¹ The mid-point salary of Certificate Master (CM) is Master Pay Scale (MPS) Point 19; Assistant Primary School Master (APSM) is MPS Point 22 and Graduate Master (GM) is MPS Point 25.

² For the 2004/05 school year, the **average monthly salary point** of temporary teachers in aided secondary schools is MPS Point 17 and 14 for GM and CM respectively. For aided primary schools, the average monthly salary point of temporary teachers is MPS Point 16 for both APSM and CM.

Accounting arrangement

8. The annual recurrent cash grant is provided on a quarterly basis in September, November, February and May. The optional cash grant is released to schools on a claim basis and payments are also on a quarterly basis.

9. For reimbursement of daily-rated supply teachers to replace regular teachers on maternity leaves, sick leaves and other approved leaves lasting for 30 days to 89 days, schools should use the claim form at **Annex A**. For appointment of temporary teachers for regular teachers taking leaves of 90 days or more on monthly term, please submit appointment form available from EMB homepage (<http://www.emb.gov.hk> → Teachers' Development → Employment Related Information → Appointment Matters).

10. Schools wishing to apply for the optional cash grant for freezing teaching posts should use the claim form at **Annex B**.

Surplus retention

11. Schools will be allowed to accumulate surplus up to three times the annual provision of the TRG in the year in which the grant is provided.

Accountability

12. Schools receiving the TRG should include in their School Report the use of the TRG with reference to their own situation and school-based targets. Schools should keep a separate ledger account to record all income and expenditure chargeable to the TRG.

13. The IMC of a school is obliged to hold accountability for any improper use of the public resources including the TRG.

**Aided Schools with Incorporated Management Committee
 Claim Form for Reimbursement of Daily-Rated Supply Teacher Grant**

Name of School: _____ School Code: _____

A. Reimbursement of salaries and employer's contributions to MPF schemes for eligible supply teachers arising from leave lasting for 30 to 89 calendar days

(For supply teachers required to contribute to Mandatory Provident Fund, please provide supporting information of MPF if claim period is less than 60 days)

Teacher on leave			Leave period		Name of supply teacher	Supply period		No. of working days # (a)	Daily rate \$ (b)	Salary amount \$ (a) x (b)	MPF subsidy \$ (c)	Contract period	
Name	SRN	Post	From	To		From	To					From	To
Total										\$	\$		

The number of working days should exclude Sunday, Saturday (short-week), public holidays, discretionary holidays or any days on which the teachers are not required to perform duties.

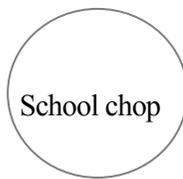
B. For temporary teachers appointed on monthly term, please submit appointment form available from available from EMB Internet (<http://www.emb.gov.hk> → Teachers' Development → Employment Related Information → Appointment Matters)

C. Certification

I certify that –

- (i) the emoluments have been paid to the supply teacher(s) and/or MPF scheme trustee(s) concerned. Relevant receipts are attached for your records;
- (ii) the reimbursement claim is not covered by the ambits of the Teacher Relief Grant, the Teacher Professional Preparation Grant and Specialised Teaching Support Grant.
- (iii) this request for payment complies with the conditions set out in Education and Manpower Bureau Circular Memorandum No. 173/2005 dated 20 August 2005; and
- (iv) there is no other claim on the salaries of teachers filling the vacant posts.

My school will refund to Education and Manpower Bureau any over-payment of grant.



Signature of Supervisor : _____

Name of Supervisor : _____ Claim Date : _____

Contact Person: _____ Tel No.: _____

c.c. SSDO()

**Aided Schools with Incorporated Management Committee
Claim Form for Cash Grant under Teacher Relief Grant for Freezing Teaching Establishment**

Name of School: _____ School Code: _____

A. Temporary freezing of regular vacant posts arising from teachers on leave

Teachers on leave				Leave period		Leave of 30 to 89 calendar days		Leave of 90 calendar days or more		MPF Subsidy ⁴ \$ (e)	TRG Amount \$ (a)x(b)+(e) or (c)x(d)+(e)
Name	SRN	Rank	Leave Type	From	To	No. of working days ¹ (a)	Daily rate ² \$ (b)	No. of months (c)	Monthly salary ³ \$ (d)		
Total										\$	

B. Temporary freezing of regular posts

No. of posts claimed (specify the rank)	N/AM @	Period		Vacancy of 30 to 89 calendar days		Vacancy of 90 calendar days or more		MPF Subsidy ⁴ \$ (e)	TRG Amount \$ (a)x(b)+(e) or (c)x(d)+(e)
		From	To	No. of working days ¹ (a)	Daily rate ² \$ (b)	No. of months (c)	Monthly salary ³ \$ (d)		
()									
()									
()									
()									
Total									\$

@ N: New claim posts / AM: Amendment of previous claim dated _____ (copy attached).

Note

- 1 The number of working days should exclude Sunday, Saturday (short-week), public holidays, discretionary holidays or any days on which the teachers are not required to perform duties.
- 2 Daily rate – please refer to EMBCM No. 336/2003 and any subsequent adjustment of rates.
- 3 Use the average monthly salary point of temporary teachers for basic ranks or starting salary point for promotion ranks. Please refer to EMBCM No. 173/2005 and any subsequent adjustment of rates.
- 4 For freezing of a vacant teaching post of 60 days or more, employer's contributions to MPF Scheme (5 % of the monthly salary capped at \$1,000) will be included.

C. Permanent freezing of regular posts

(All first time frozen posts and previously frozen posts should be included in this claim form for the purpose of checking of the 10% ceiling)

No. of posts claimed (specify the rank)	PRE/NEW@	Effective Date (a)	Official Use		
			Monthly mid-point salary at the effective date \$ (for NEW frozen posts only) (b)	MPF Subsidy \$ # (for NEW frozen posts only) (c)	TRG Amount for newly frozen posts \$ (d)
()					
()					
()					
()					
				Total	\$

@ PRE: Posts previously frozen / NEW: New frozen posts

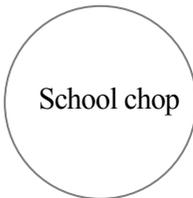
For freezing of vacant posts of 60 days or more, employer's contributions to MPF Scheme (5 % of the monthly salary capped at \$1,000) will be included.

D. Certification

I certify that –

- (i) consent has been obtained from my school's IMC for freezing the above teaching post(s) in the above-mentioned period in the school year;
- (ii) the total number of frozen posts ___ claiming TRG including the temporary frozen posts arising from (A) teachers on leave ___ and (B) the regular posts ___ together with (C) the permanent frozen posts ___ does not exceed the ceiling of 10% of the approved teaching staff establishment of my school (Graduate posts : _____; Non-graduate posts : _____; Total: _____) at the claim date and this request for payment complies with the conditions set out in Education and Manpower Bureau Circular Memorandum No. 173/2005 dated 20 August 2005. *(Please enter number of posts in the space provided.)*
- (iii) there is no other claim on the salaries of teachers nor reimbursement of supply teachers for the frozen posts during the frozen period.

My school will refund to Education and Manpower Bureau any over-payment of grant.



Signature of Supervisor : _____

Name of Supervisor : _____ Claim Date : _____

Contact Person : _____ Tel No.: _____

c.c. SSDO()

Guiding principles and procedures for direct appointment of teachers to Promotion Ranks

General Principles

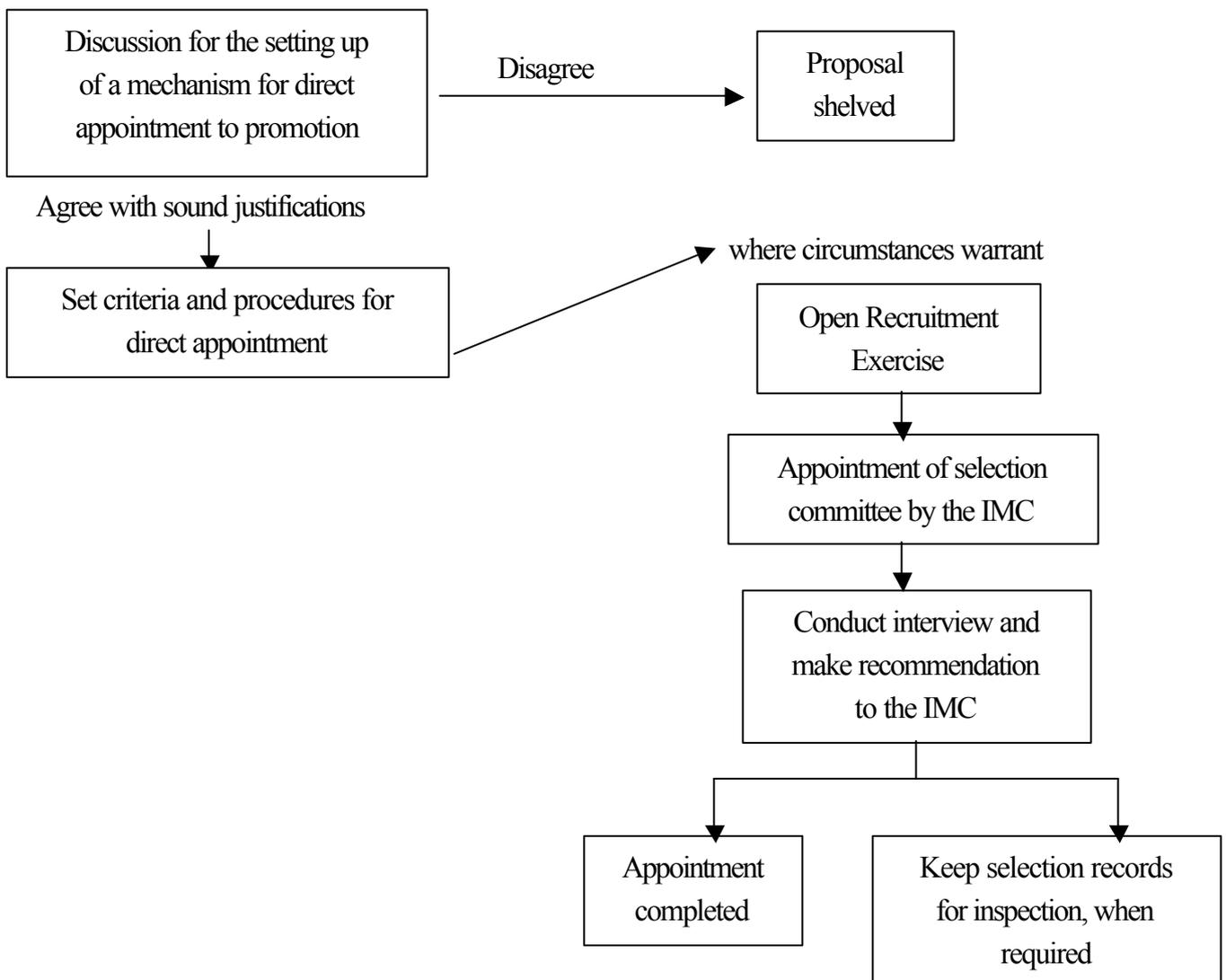
- ◆ In general, promotion posts should be reserved for existing staff.
- ◆ Before any decision on direct appointment to promotion ranks is to be made, it is paramount that the Incorporated Management Committee should, in consultation with its staff, agree on whether a mechanism for such direct appointment would need to be put in place in the school, having regard to such needs and considerations as school development, human resources planning and management, staff management and the morale of the existing staff, etc. Some examples are:
 1. For new schools where, for operational reasons, experienced teachers are urgently required to help developing the school.
 2. For schools where there are succession problem and candidates suitable for internal promotion could not be timely identified.
 3. Staff of specific skill or qualification required for leading or undertaking a specific course or programme is unavailable.
- ◆ The decision to put in place in the school a mechanism for direct appointment to promotion ranks should be made conscientiously and agreed by the IMC with sound justifications, and be supported by an overwhelming majority of the staff.
- ◆ Once a decision to put in place such a mechanism in the school is arrived, the rationale and the criteria where and when direct appointment to promotion ranks would be exercised in the school must be made known to all the staff. The IMC should make sure that all the staff members are aware of the existence of such an arrangement.

Checklist

- ◆ Will direct appointment to promotion ranks be taken as a regular practice, or should it be approved by the IMC on an individual case basis, subject to consultation with the staff?
- ◆ Have all the implementation criteria and procedures been cautiously deliberated and endorsed by the IMC, and agreed by the staff?
- ◆ Have such criteria and procedures been clearly stated and made known to the staff (and upon appointment, in the cases of the new recruits)?
- ◆ Have all existing staff members been fairly considered for the opportunity before open recruitment is to be launched?

- ◆ Does the appointee fulfill all conditions and requirements for normal promotion to the rank as prescribed in the Code of Aid?
- ◆ Is the direct appointment processed in accordance with all employment related ordinances and regulations, and the terms as stipulated in the Code of Aid?
- ◆ A good practice of direct appointment should include the following features:
 1. The criteria of appointment are drawn up jointly with staff concerned.
 2. The process of direct appointment is conducted in an open, fair and transparent manner.
 3. The selection is undertaken by a selection committee comprising the principal, IMC manager(s) and/or other independent personnel or professional, and is closely monitored by the IMC.
 4. Morale of the existing staff has been taken care of.

Suggested Workflow for Direct Appointment to Promotion Rank



Principles for Identifying and Deployment of Redundant Teachers

General Principle

1. Incorporated Management Committees (IMCs) should ensure that schools have made every effort to absorb the redundant teachers such as appointing the teachers to share jobs on a voluntary basis or by using other school funds. For schools operated under big sponsoring body (i.e. operating more than one school), arrangement should be made to deploy their redundant teachers to fill available vacancies in other schools under the same sponsoring body as far as possible.

Identifying Redundant Teachers

2. For schools having redundant teachers, the IMCs should, in consultation with teachers, work out a set of “school-based” criteria (e.g. school’s operational needs, subject specialties of teachers and the developmental requirements of schools, etc) which are objective, fair and transparent so as to identify the sequence of teachers to become redundant.
3. IMCs are also required to set up an appeal mechanism to serve as an effective channel for teachers to communicate with the school management on issue relating to redundancy. For schools operated under sponsoring bodies that operate more than one school, IMCs should ensure that both the criteria and the appeal mechanism are applied consistently as far as possible in all the schools under the same sponsor.
4. The criteria and appeal mechanism should be in place, documented and announced to all teachers as early as possible. This will facilitate early identification of and notification to redundant teachers after the staff establishment for the school year concerned is approved.

Deployment of Redundant Teacher by School Sponsoring Bodies

5. Under the existing rule and practice, a school sponsoring body operating more than one school should arrange to deploy redundant teachers in a school under its sponsorship to fill available vacancies in other schools under its sponsorship as far as possible.
6. If the redundant teachers out-number the vacancies, the school sponsoring body should also put in place a set of criteria to deploy the redundant teachers to fill all the vacancies available among the schools under its sponsorship based on the needs of schools. IMCs should ensure that schools would complete the deployment arrangements in accordance with the schedule set by the Education and Manpower Bureau each year as announced through circular as far as possible so as to facilitate timely application for teaching posts to other schools by the remaining redundant teachers.
7. After the deployment, if vacancies subsequently arise in schools under its sponsorship, the school sponsoring body should deploy the redundant teachers under the same sponsorship and who have not yet secured teaching posts to fill such vacancies as far as possible.

Appointment of Teachers on a Job-sharing Basis

8. Subject to the needs of schools and the wish of teachers concerned, schools may deploy more than one teacher to fill a teaching post within the approved staff establishment. Appointment of these part-time teachers to fill teaching posts at various ranks should be in accordance with the Code of Aid and the Guides to Appointment for the respective ranks currently in force. Like regular full-time teachers, regular part-time teachers within the approved teaching establishment are subject to the provisions under the Code of Aid, including (a) eligibility for joining the Grant/Subsidized Schools Provident Fund or relevant provident fund schemes as appropriate, (b) entitlement of various types of leave such as paid sick leave, and (c) their relevant part-time teaching experience being recognised on a pro-rata basis for incremental and promotion purposes.

Over-ranked Principals/Redundant Senior Teachers Required to Step-down

9. In the event that reduction of staff entitlement affects the number of senior teachers (i.e. teachers appointed at promotion ranks) and/or the headship entitlement of a school, a school sponsoring body operating more than one school should transfer the redundant senior teachers to fill available senior teacher vacancies in other schools under its sponsorship and consider to deploy Principals so that the substantive rank of the head of the school does not exceed the headship entitlement. However, for schools operated by one-school sponsors, or where there are no available senior teacher vacancies and/or vacancies of appropriate headship rank in schools under the same sponsor for deployment, the redundant senior teachers should step down to become the lower or basic rank teachers as appropriate and the over-ranked Principals should assume posts of an appropriate lower rank.
10. Schools should observe all other related arrangements in respect of stepping down of Principals/senior teachers to a lower rank as announced by the Permanent Secretary through circular from time to time.

Guiding principles in handling change of rank/stepped-down case

General Principles

- ◆ Apart from voluntary decision (i.e. a staff member who on his/her accord requests to discontinue taking up duties of a higher rank), there are broadly two circumstances leading to step down/change of rank: -
 - (1) Redundancy
Reduction of classes that affects the headship entitlement and/or the number and rank of promotion posts;
 - (2) Unsatisfactory performance
The staff member concerned is either not performing satisfactorily in his/her current position or not meeting the expected and agreed standard that the current position requires.
- ◆ In handling stepping-down cases arising from (1) above, IMCs should follow the procedures stipulated in relevant circulars in force for secondary, special and primary schools as appropriate.
- ◆ Prior to the setting-up of a formal mechanism for stepped-down or change of rank among staff arising from (2) above, the IMC should consult its staff on the needs and advantages of establishing such a staff management system in the school, having regard to such considerations as school operation and development, fairness to appointment, human resources planning, staff management, and the morale of the existing staff, etc.
- ◆ The IMC should also consider the subject in conjunction with the school's availability and sophistication of an objective appraisal system, continuous professional development mechanism and appeal system. The stepped-down or change of rank mechanism should be conscientiously made and agreed by the IMC with sound justifications and be supported by an overwhelming majority of the staff.
- ◆ All staff have to be clearly informed of the rationale and criteria for stepped-down or change of rank which are made on the principles of fairness, objectivity and transparency.

Checklist

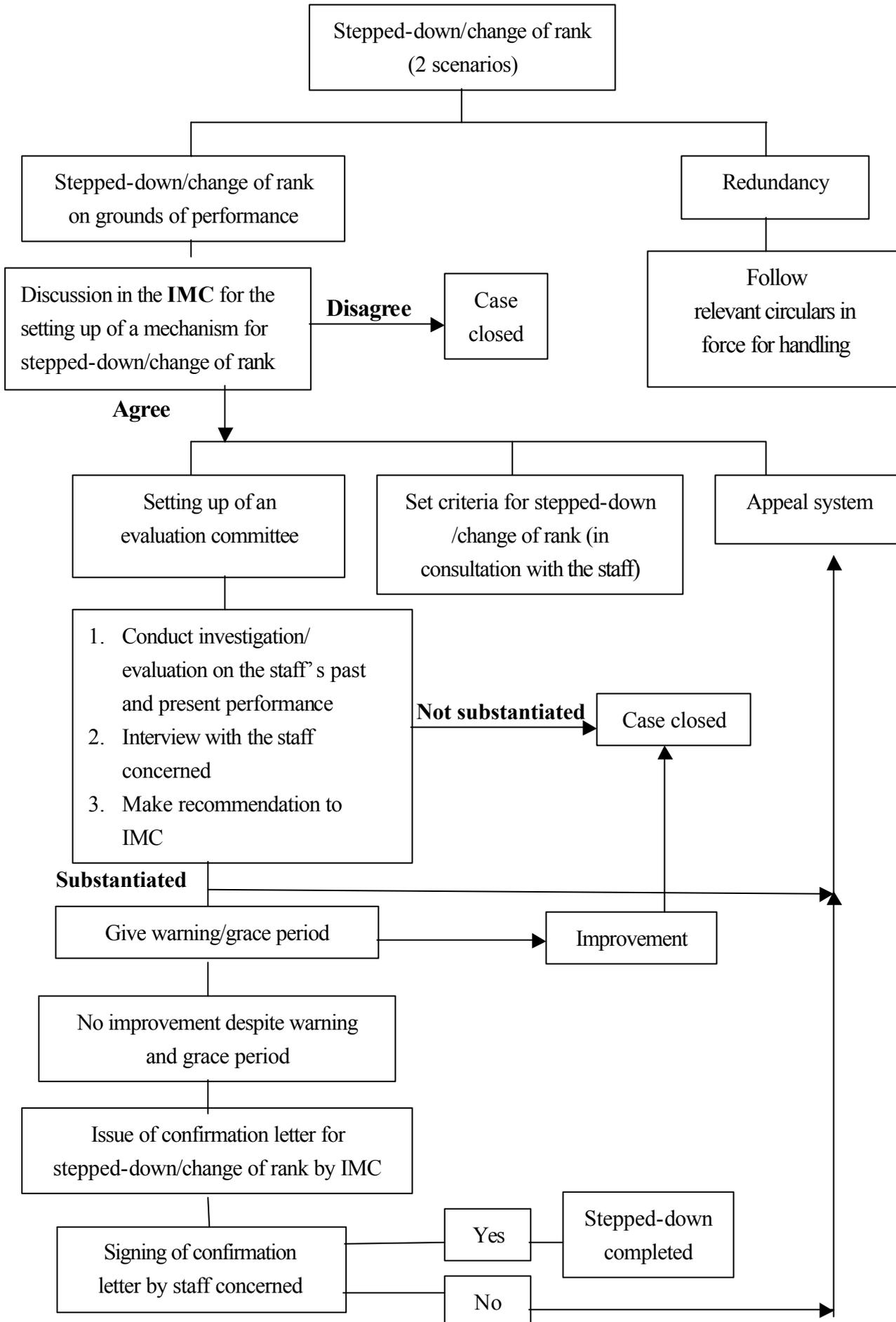
- ◆ Have sufficient warning, grace period and adequate opportunity for appeal been given to the staff concerned before stepping-down?
- ◆ Have all the implementation criteria and procedures been cautiously deliberated and agreed on in the IMC, and with the staff?

- ◆ Have such criteria and procedures been clearly stated and made known to all existing staff, and been explicitly reiterated upon their promotion?
- ◆ Is the stepped-down or change of rank processed in accordance with all employment related ordinances and regulations, and the terms as stipulated in the Code of Aid?
- ◆ Are the staff content that fair and impartial stepped-down/change of rank procedures which are developed beforehand be put in place?

Good Practice of Stepping-down

- ◆ It is desirable to stipulate in the employment contract the disciplinary procedures, including demotion, to be followed.
- ◆ The IMC should, in consultation with the staff, jointly draw up a set of stepped-down/change of rank criteria which are objective, fair and transparent.
- ◆ The process of stepped-down/change of rank should be conducted in a fair and objective manner.
- ◆ Stepped-down can only be justified by unsatisfactory performance of the staff concerned for the past and present years, and such evidence of performance must be assessed through a formal appraisal system.
- ◆ An appeal system must be set up for the staff concerned to defend or redress their cases.
- ◆ Clear stipulation is to be included in the Employment Contract/Letter of Appointment that the provision for future stepped-down/change of rank from a promoted post is possible, as and when situation so warrants.
- ◆ Provision should be included in the Confirmation Letter for Promotion that stepped-down/change of rank is possible should one fail to perform satisfactorily, or up to the agreed expectation.
- ◆ Written confirmation should be mutually signed by both the IMC and the staff concerned should stepped-down/change of rank take place, which will serve as an agreement for change of employment terms.
- ◆ Other than change of remuneration as a result of change of rank, no adverse effect should be made against the fringe benefits of the staff concerned, for example the number of service years counting for provident fund contribution.
- ◆ The rank changed should normally be one rank lower than the staff's existing rank.
- ◆ The change of rank should take effect on a date specified by the IMC and, as far as practicable, agreeable to the staff.

Workflow on Stepped-down/Change of rank



Grant/Subsidised Schools Provident Fund for Teachers

Teachers joining the Grant/Subsidised Schools Provident Fund are subject to the Rules of the Funds which are statutory rules made under the Education Ordinance. The following are extracts of certain main features for easy reference only.

1. With effect from 1 September 1980, Government's subsidies towards the employers' contribution in respect of the Grant/Subsidised Schools Provident Fund shall be made in accordance with the following scale :

<u>Length of continuous contributory service</u>	<u>Employers' contribution (percentage of employees' salary)</u>
Less than ten years	5%
Not less than 10 years) but less than 15 years)	10%
Not less than 15 years	15%

2. Employees' contribution shall remain at 5%.
3. Every teacher who is not over the age of 55 years upon his first appointment to a school on or after 24 June 1982 is required to contribute to the Fund. A part-time teacher employed on a regular basis may at his option contribute to the provident fund.
4. An annual dividend to each contributor of 5 per cent of his account is guaranteed and any shortfall in funds for the purpose of the guaranteed dividend is to be met by a loan (repayable without interest) made by the Government to the Funds. No supplementary dividend may be declared if there is an outstanding loan.

5. Benefits to contributors are increased on the following sliding scale according to length of continuous contributory service on withdrawal from the Funds in normal circumstances :

<u>Length of Continuous Contributory service</u>	<u>Benefits on Withdrawal</u>	
	<u>Contributor's own contribution plus dividends declared thereon</u>	<u>Government's donation plus dividends declared thereon</u>
Less than 5 years	100%	Nil
Not less than 5 years) but less than 6 years)	100%	50%
Not less than 6 years) but less than 7 years)	100%	60%
Not less than 7 years) but less than 8 years)	100%	70%
Not less than 8 years) but less than 9 years)	100%	80%
Not less than 9 years) but less than 10 years)	100%	90%
Not less than 10 years	100%	100%

Guidelines for Granting of Leave

General Principles

Incorporated Management Committees (IMCs) may grant the following types of leave for teachers and non-teaching staff in accordance with the conditions provided by the Code of Aid, the Employment Ordinance and the instructions the Permanent Secretary for Education and Manpower (PSEM) may from time to time issue:

- (a) sick leave (paid or no-pay);
- (b) maternity leave (paid or no-pay);
- (c) special tuberculosis leave (paid or no-pay);
- (d) special leave for a maximum of 2 days per school year (paid);
- (e) study leave endorsed by the PSEM in advance (paid);
- (f) leave for teachers serving as jurors or witnesses (paid); and
- (g) leave for a maximum of 14 days per school year for special events like representing HKSAR in national/international conferences or events such as the Asian Games and the Olympic Games; or being invited to present paper or speak at national/international conferences in connection with education; or participating in training and camping exercises of Civil Aid Service, Auxiliary Medical Service or Auxiliary Police Force (paid).

Please refer to section 13.9 of the Code of Aid for Aided Schools for details.

2. Schools should formulate transparent policies and agreed principles in processing leave applications in consultation with staff to ensure impartiality and consistency. However, the procedures involved in handling leave matters should be kept to the minimum.

Leave Entitlement for Teachers and Non-teaching Staff

3. IMCs of aided schools may refer to Appendix 8(a) of Section 7 of the School Administration Guide (<http://www.emb.gov.hk/index.aspx?nodeID=1879&langno=1>) for a summary on “Leave entitlement for staff in aided schools”. If necessary, they should consult the Labour Department on leave entitlement provided under the Employment Ordinance .

Leave that Requires Prior Approval of PSEM

4. Since IMC provides a transparent and accountable framework of governance involving key stakeholders, schools with IMC are devolved greater flexibility in the granting of leave. They may grant all types of no-pay leave to teachers. However, similar to non-IMC schools, prior approval of PSEM is required for paid study leave which has not been endorsed by PSEM and other leaves which are not specified.

Points to note in processing no-pay leave of teachers

5. To avoid any actual or perceived conflict of interest as well as any allegation of favoritism that will undermine staff morale and the accountability of the management, IMCs are advised to establish a mechanism and draw up guidelines and procedures governing the granting of leave to teachers. These procedures must be fair, open and consistently applied. The decision to grant no-pay leave by schools should be based on objective, fair and reasonable criteria. In addition, before granting no-pay leave to teachers, IMC should ensure that teachers applying for no-pay leave are duly informed of the provisions in the Code of Aid, Compendium to Code of Aid for Aided Schools and the following:

(a) Promotion purposes

No-pay leave will not be counted for promotion purposes.

(b) Grant/Subsidized Schools Provident Fund (G/SSPF)

With the approval of PSEM, a teacher's G/SSPF Account may be kept open for the period in which no-pay leave is granted. The period of no-pay leave including no-pay sick/maternity/special tuberculosis leave will not be counted for continuous contributory service.

(c) Date of increment

For incremental purposes, such leave shall be subject to such instructions PSEM may from time to time issue. Adjustment of the incremental date will be required if the period of no-pay leave exceeds 15 days continuously. If a teacher takes 16 to 45 days no-pay leave continuously, his/her incremental date should be deferred for one month. If the teacher takes 46 to 75 days no-pay leave continuously, his/her incremental date should be deferred for two months, and so on.

6. As IMC schools are no longer required to seek prior PSEM's approval for granting of any types of no-pay leave (mentioned in paragraph 5 above), they should therefore send a notification of the granting of no-pay leave (any types of no-pay leave) to the Senior School Development Officer of the respective Regional Education Office for seeking PSEM's approval for keeping open of G/SSPF account and for the adjustment of salary incremental date, if any.

- ◆ Sample of the notification of granting no-pay leave for IMC schools

(Attachment 1)

7. Schools should take their own responsibility to fulfill all statutory requirements including meeting any possible expenditure arising from all types of no-pay leave of teaching and non-teaching staff out of non-government funds.

Leave Records

8. Schools should keep leave records of their staff as required by the Code of Aid and **are requested to send in annual leave record of teachers in August of each school year for PSEM's endorsement.** PSEM will signify his approval to the leave by endorsing the relevant leave records provided that PSEM is satisfied that the IMC concerned has considered each application in accordance with the conditions provided by the Code of Aid, the Employment Ordinance and the instructions PSEM from time to time issues with supporting documents.

- ◆ Sample of annual summary of leave record of teachers (Attachment 2)

9. For non-teaching staff, the leave records are not required to be sent to PSEM for endorsement. Schools are reminded to keep proper and up-to-date leave records of their non-teaching staff.

- ◆ Sample of annual summary of leave record of non-teaching staff (Attachment 3)

10. To facilitate schools' proper leave recording of their teaching/non-teaching staff, samples of leave record of individual staff are also provided below for schools' reference:

- ◆ Sample of sick leave record of individual staff (teaching or non-teaching) (Attachment 4)
- ◆ Sample of other leave record of individual staff (teaching or non-teaching) (Attachment 5)

11. For proper management of leave matters, schools should keep the leave records of their staff up-to-date. These leave records should be available for inspection by officers authorized by PSEM or the inspectors of schools as and when required. When a staff member leaves the employment of a school, the Certificate of Service prepared by the school for the staff member should state, among other things, the sick leave balance.

SAMPLE (For reference only)

Senior School Development Officer, Regional Education Office

Date:

Duplicate - Senior Accounting Officer (Funds), Finance Division

Triplicate - The school *head/teacher taking leave

Dear Sir/Madam,

No-pay Leave for School Head/Teacher of IMC School

Name of School :

Name of *Head/Teacher : _____

I refer to the application for no-pay (*sick/maternity/special tuberculosis/other) leave by *Mr/Ms _____, (rank) of my school dated _____.

I wish to inform you that *Mr/Ms _____ has been granted no-pay leave of _____ day(s) from _____ to _____ inclusive.

In view of the fact that *Mr/Ms _____ has been granted _____ day(s) of no-pay leave, his/her incremental date is adjusted to first of _____.

I should be grateful if you would give approval to keeping open the provident fund account of *Mr/Ms _____ from _____ to _____ inclusive as a result of his/her taking no-pay leave during the above-mentioned period. *His/her leave will not be counted as continuous contributory service for provident fund purposes.

Yours sincerely,

(_____)
School Supervisor

* Delete where appropriate

SAMPLE (For reference only)

To: Senior School Development Officer, Regional Education Office

ANNUAL SUMMARY OF LEAVE RECORD OF TEACHERS

Name of School : _____

Period : _____ to _____

I submit leave record of the following teachers for the above-mentioned period for your approval. I confirm that each application with the supporting documents has been considered in accordance with the conditions provided by the Code of Aid, the Employment Ordinance and the instructions the Permanent Secretary for Education and Manpower may from time to time issue.

Name of Teacher	Types of Leave Taken*	Paid (P)/ No-pay (NP)	No. of Days	Remarks
1. Mr CHAN xx xx	SL	P	28	
	SL	NP	2	
2. Ms LEE xx xx	ML	P	70	
	ST	P	91	
3. Miss CHEUNG xx xx	SP	NP	21	
4. Mrs WONG HO xx xx	ST	P	91	
	SL	P	15	

* Types of Leave - Sick Leave (SL), Special Tuberculosis Leave (TB), Maternity Leave (ML), Special Leave (SP), Study Leave (ST), Leave for serving as Jurors or Witnesses (JW), Leave for Special Events (LS) and Others (O).

Date: _____ Name of Supervisor: _____ Supervisor's Signature: _____

SAMPLE (For reference only)**ANNUAL SUMMARY OF LEAVE RECORD OF NON-TEACHING STAFF**

Name of School : _____

Period : _____ to _____

I confirm that each application with the supporting documents has been considered in accordance with the conditions provided by the Code of Aid, the Employment Ordinance and the instructions the Permanent Secretary for Education and Manpower may from time to time issue.

Name of Staff (Date of appointment)	Post	Types of Leave Taken*	Paid (P)/ No-pay (NP)	No. of Days	Remarks
1. LEE x x (1.9.2001)	Laboratory Technician	SL SL AL	P NP P	28 3 14	
2. WONG x x (1.9.2001)	Clerical Assistant	ML SL AL	P P P	60 2 14	

* Types of Leave – Annual Leave (AL), Sick Leave (SL), Special Tuberculosis Leave (TB), Maternity Leave (ML), Study Leave (ST), Leave for serving as Jurors or Witnesses (JW), Leave for Special Events (LS) and Others (O).

Date: _____ Name of Supervisor: _____ Supervisor's Signature: _____

SAMPLE (For reference only)**SICK LEAVE RECORD**

Name of School: _____

Name of Staff: _____ (_____) Sex: _____

Post: GMDate of Appointment: *1.9.1997* Last Date of Employment: _____Incremental Date [ID] : 1st of September on appointment (1.9.1997)

Sick Leave Entitlement		Sick Leave Taken			Sick Leave Balance Day(s) (Note)	ID
Date of Crediting	Days	From	To	Absence Day(s)		
1.9.1997	28				28	1.9
1.9.1998	48				76	1.9
		1.3.1999	8.3.1999	8	68	1.9
		10.5.1999	13.5.1999	4	64	1.9
1.9.1999	48				112	1.9
		10.1.2000	12.1.2000	3	109	1.9
1.9.2000	48				157	1.9
1.9.2001	48				168	1.9
1.9.2002	48				168	1.9
1.9.2003	48				168	1.9
1.9.2004	48				168	1.9

Note: The maximum sick leave balance that can be accumulated for the above teacher is 168 days.

SAMPLE (For reference only)**OTHER LEAVE RECORD (EXCLUDING SICK LEAVE)**

Name of School: _____

Name of Staff: _____ (_____) Sex: _____

Post: CMDate of Appointment: *1.9.1997* Last Date of Employment: _____

Incremental Date [ID] : 1st of September on appointment (1.9.1997)
 Adjusted to 1st of October after the teacher took no-pay special
 leave from 29.4.2003 to 19.5.2003 inclusive (21 days)

- Absence Type of Leave :
- Special Tuberculosis Leave (TB)
 - Maternity Leave (ML)
 - Special Leave (SP)
 - Study Leave (ST)
 - Leave for serving as Jurors or Witnesses (JW)
 - Leave for Special Events (LS)
 - Others (O)

Absence Type	Paid (P) / No-pay (NP)	Absence Period / Date		Absence Day(s)	ID
		From	To		
SP	P	8.10.1998	---	1	1.9
ML	P	1.12.1999	8.2.2000	70	1.9
SP	NP	29.4.2003	19.5.2003	21	1.10