

Manual on the Use of Community Involvement Fund

Home Affairs Department
(As at December 2021)

Manual on the Use of Community Involvement (CI) Fund

Table of Contents

	Page
I. Introduction	1
II. Ambit of CI Fund	3
III. Provision of Funds	4
IV. Types of Projects and Mode of Implementation	
4.1 Projects implemented by government departments (including District Offices)	5
4.2 Projects implemented by non-government organisations	6
4.3 Projects implemented by District Councils or Committees/Working Groups under District Councils/District Offices	6
V. Scope of Funding	
5.1 Funding Coverage	7
5.2 Project Ceiling	10
VI. Application for CI Fund	
6.1-6.2 Details of Application	10
6.3 Eligibility Criteria for Application	12
6.4 Publicity on Invitation of Applications	12
6.5 Processing Procedures and Funding Approval	13
6.6 Vetting Criteria	14
VII. Administrative and Financial Arrangements	
7.1 Procurement of Goods and Services	16
7.2 Capitalised Items	20
7.3 Payment Arrangements	21
7.4 Project Income and Residual Funds	22
7.5 Sponsorship and Donations	23
7.6 Variations to Project	24
7.7 Public Liability and Accident Insurance	25
VIII. Monitoring Mechanism	
8.1 Progress and Final Reports	25
8.2 Visit and Evaluation	26
8.3 Public Scrutiny	26
8.4 Pre-mature Termination of Project	27
8.5 Breach of Terms and Conditions by NGOs	27
8.6 Ticket Allocation	27
IX. Conflict of Interest	28
X. Public Accountability	
10.1 Role of District Offices	29
10.2 Role of Grantees	29

Annex

- A Permissible Items of Expenditure for Projects Financed by CI Fund
- B Sample Application Form for a Grant under CI Fund
- C Terms and Conditions for Receiving CI Fund
- D Record of Quotations for Project Financed by CI Fund
- E Detailed Payment Arrangements for Projects implemented by Non-government Organisations, District Offices ,District Councils or Committees / Working Groups under District Councils/District Offices in collaboration with Non-government Organisations

- Appendix I - Undertaking of Receipt of Advance Payment for Project Financed by CI Fund

- Appendix II - Income and Expenditure Statement cum Application for Partial/Final Reimbursement of CI Fund (with illustrative example)

- Appendix III - Specimen Report of an Agreed-Upon Procedures Engagement Conducted by a Certified Public Accountant (Practising) or a Corporate Practice within the Meaning of the Professional Accountants Ordinance (Chapter 50)

- Appendix IV - Sample Bank Account for Project Financed by CI Fund (with illustrative example)

- Appendix V - Sample Petty Cash Book for Project Financed by CI Fund (with illustrative example)

- Appendix VI - Sample Bank Reconciliation Statement for Project Financed by CI Fund (with illustrative example)

- F1 Final Report for Project Financed by CI Fund
- F2 Progress Report for Project Financed by CI Fund
- G Evaluation Report for Project Financed by CI Fund
- H Form of Declaration of Interests for Project Financed by CI Fund
- I Summary of Approval Results for Projects Financed by CI Fund

I Introduction

Background

- 1.1 The Community Involvement Programme (CIP) was introduced to provide funding for community involvement (CI) initiatives in the districts to promote community building. An annual provision was made available to the 18 District Councils (DCs) by the Government for implementing community involvement initiatives to meet the needs of the respective districts. DCs were responsible for identifying suitable projects for implementation or sponsorship and examining funding applications. However, the funding responsibility and accountability remained with the Director of Home Affairs (DHA) the Controlling Officer of CI fund under Head 63: Home Affairs Department in the annual Estimates approved by the Legislative Council (LegCo). DHA had to ensure that funds were spent in compliance with the ambit and the “Manual on the Use of District Council Funds”, and that funding applications were handled fairly. In handling the funding process, DC members had to strictly follow the above-mentioned Manual and the Code of Conduct for Members of a District Council or its Committees, and deliberate funding projects in a fair, objective and reasonable manner.
- 1.2 The CIP has been conducive to promoting community building and improving the environment/facilities for the benefit of the community.

Present Position

- 1.3 With the latest development in the DC landscape and a significant proportion of DC seats remaining vacant, the previous arrangement of having to seek DCs’ endorsement for all CI projects has become untenable. In addition, there are DCs which do not have sufficient members to proceed with the election of Council Chairman and for that matter unable to convene DC meetings. The public may also consider it unfair and unreasonable to leave the interest of their community to a very small minority of DC members.

- 1.4 Having regard to the missions of the CIP, the Government sees a continuing need to make good use of the CI fund to promote the well-being of the community. It is important for the CIP to continue to provide the essential funding for district activities under its ambit.

Revised Arrangement

- 1.5 To ensure proper use of public money, the Government has decided to suspend the role of DCs in endorsing projects under the CIP during the Sixth Term. Instead, HAD/District Offices (DOs) and Leisure and Cultural Services Department (LCSD) will be tasked to propose worthwhile initiatives for funding under the CIP having regard to the community's views. The scopes and funding criteria of the CIP will remain unchanged, and DHA will continue to oversee funding applications and ensure prudent use of public funds in accordance with the established funding mechanisms. The Manual on the Use of District Council Funds is replaced by the Manual on the Use of CI Fund (Manual).
- 1.6 Under the revised arrangement, DOs, the HAD and the LCSD will either allocate the relevant funds direct to relevant organisations, or will organise projects featuring local characteristics and popular festival celebrations as well as cultural, artistic and recreational activities to promote district harmony. Initiatives to be funded will include (1) specified celebratory events (i.e. Anniversary of Establishment of Hong Kong Special Administrative Region, the National Day and the Chinese New Year reception); (2) other district signature events (such as dragon boat races, temple gatherings, district festivals, etc.); (3) activities of district organisations (i.e. Area Committees, District Fight Crime Committees and District Fire Safety Committees); and (4) special activities that may need to be organised.
- 1.7 This Manual sets out the ambit and scope of CI fund and the detailed administrative and financial arrangements for the application and use of CI fund.

II Ambit of CI Fund

2.1 CI fund is to be used for meeting district needs. In particular, the ambit of CI fund is to cover the following programmes and activities –

- (a) programmes and activities undertaken at district facilities;
- (b) programmes to be organised in partnership with different sectors and NGOs, including programmes that may require cross-year commitments;
- (c) district leisure and sports programmes;
- (d) district cultural and entertainment programmes;
- (e) programmes and activities to enhance public library services at district level;
- (f) district greening activities;
- (g) programmes to strengthen public hygiene and disease prevention efforts;
- (h) programmes to foster inter-cultural understanding, mutual respect and volunteerism;
- (i) activities to support heritage initiatives at district level;
- (j) activities to build social capital and to help enhance self-reliance;
- (k) projects to enhance public understanding of the District Administration Scheme; and
- (l) activities to promote community building, social harmony and public participation in community affairs.

III Provision of Funds

3.1 CI fund is voted annually in the context of the Estimates under Head 63 Home Affairs Department (HAD) and may vary according to the Government's overall fiscal situation. **An annual provision** is made available for implementing programmes and activities in all the 18 districts. Funds will be allocated to individual districts at the beginning of the financial year having regard to their size and district characteristics. Based on the provision of funds, DOs may identify and initiate programmes and activities for implementation to meet the needs of their districts. As only a very modest provision is retained in the HAD Headquarters (HAD HQ) for meeting contingencies, DOs should regard their respective allocation as a cash-limiting ceiling and plan their commitments accordingly. Moreover, on a cash accounting basis, all unspent CI fund at the end of the financial year will lapse, i.e. there is no facility for DOs to carry forward unspent balance in a year to the following year.

3.2 The above said, in order to enable DOs to plan for cross-year projects and longer-term commitments which straddle over the current financial year, including the employment of dedicated staff, DOs may commit spending in subsequent years provided that –

- (a) the duration of the cross-year projects and longer-term commitments do not exceed 31 December 2023 (i.e. end of the Sixth Term DCs);and
- (b) the total funding commitments arising from (a) does not exceed **50% of the current year's CI fund allocation to the respective district** and does not entail supplementary provision in the current year.

IV Types of Projects and Mode of Implementation

As stated in Section II, all projects financed by CI fund for organising community involvement programmes / activities are referred to as CI projects. In general, CI projects may be

implemented by the following parties –

(a) government departments (including DOs);

(b) NGOs¹; and

(c) DCs or Committees/Working Groups (C/WGs) under DCs / DOs

4.1 Projects implemented by government departments (including DOs)

4.1.1 The funding allocation to the relevant government department (except DOs) will take the form of an allocation warrant from HAD as endorsed by the DOs. Upon receipt of the allocation warrant, the government department may deploy funds according to its established departmental guidelines unless specific conditions have been imposed by the DOs. It will also have to follow established government financial rules and regulations and report progress and outcome of the approved project to the DOs.

4.1.2 For the avoidance of doubt, the leisure and cultural programmes organised by LCSD with CI fund are regarded as CI projects implemented by government departments despite the fact that LCSD may collaborate or out-source certain programmes to non-government bodies. Many of these programmes will be conducted on an on-going basis throughout the year.

4.1.3 On the other hand, CI projects organised by DOs, which may collaborate with NGOs, or in collaboration with DCs or C/WGs under DCs / DOs, may have the flexibility of following the implementation procedures applicable to “Projects implemented by NGOs” (see paragraph 4.2) or “Projects implemented by DCs or C/WGs under DCs/DOs” (see paragraph 4.3) respectively as deemed appropriate by the DO.

4.2 Projects implemented by NGOs

¹ The offices of Legislative Council Members, DC Members, political parties and associations, are not regarded as NGOs for the purpose of applying for CI fund.

- 4.2.1 CI projects may be implemented by NGOs through a funding grant directly from the DO. The eligibility criteria for NGOs to apply for CI fund are set out in paragraph 6.3.
- 4.2.2 It is a common practice that a portion of CI fund would for budgetary purposes be earmarked for some organisations (hereunder referred to as “designated organisations”) to organise CI projects. These designated organisations are still required to submit applications for formal funding approval as in the case of other applicants for CI fund.
- 4.2.3 Designated organisations are generally well-established local organisations with long-term working partnership with DOs. They have the proven capability and good track record in organising various CI projects, including large scale or theme-specific ones, for the local community and the people who live, work or study in the districts.
- 4.2.4 For those DOs which have the practice of earmarking funding for designated organisations to organise CI projects, they should maintain a list of such organisations. To ensure only organisations with good performance are included in the list, DOs should review the list annually, taking into account the characteristics of designated organisations set out in paragraph 4.2.3 above. Such review should be suitably documented in writing for the record.

4.3 Projects implemented by DCs or C/WGs under DCs/DOs

DCs or C/WGs under DCs/DOs should be given certain flexibility in undertaking CI projects as long as they are done in compliance with the guidelines set out in this Manual. Projects may be implemented by DCs or C/WGs under DCs/DOs in the following manner –

(a) *In partnership with NGOs*

DCs or C/WGs under DCs/DOs may identify or invite

NGOs to jointly organise CI projects. DCs or C/WGs under DCs/DOs should record its discussion of selection of project partners in relevant minutes of meetings.

To ensure the openness and transparency of the selection process, NGO partners should be selected through open invitation (e.g. by posting the invitation on the DO's /DC's website) and/or restricted invitation (e.g. by sending invitation letters to a number of NGOs in the district). If it is considered necessary to depart from the practice of open or restricted invitations, the rationale for the departure in practice should be recorded in the relevant minutes of meetings. Relevant factors such as the experience and track record of the NGOs and their capability in organising the CI projects concerned should be taken into account in the selection.

The project will be executed by the NGO according to the plan agreed by the DC or DO as reflected in the approved application for CI fund. DO staff will not be involved in its actual implementation, save for giving advice and providing information where necessary.

(b) On their own

The project will be executed by DO staff. In implementing the project, DO staff will follow Government rules and regulations unless specified otherwise in this Manual. As a general rule, DO staff should not be involved in activities that might give rise to any perceived conflict of interest with their official position or that would cause any possible embarrassment to the Government.

V Scope of Funding

5.1 Funding Coverage

5.1.1 DOs may use not more than 15% of their respective district

allocation to engage dedicated staff to discharge DC or DO duties all year round which may include administration work for the C/WGs under DC, coordination and promotion of large-scale and cross-year projects as well as monitoring and evaluation of projects.

- 5.1.2 DOs may set aside a reasonable amount of their district allocation for the procurement and maintenance of capitalised items (see paragraph 7.2) that are commonly used in carrying out CI projects (e.g. public address systems) to assist DOs or DCs and C/WGs in implementing projects in the long term. Before making the procurement, DOs should be satisfied that there will be a continued need for the item in implementing CI projects and that storage of the item is not a problem. In addition, the items to be procured must be used solely to implement CI projects.
- 5.1.3 Grantees² should use the CI fund provided to meet the expenses wholly and necessarily incurred for the approved project during the project period.
- 5.1.4 In making the application and in implementing the approved project, the applicant (other than government departments) should refer to the permissible items of expenditure at Annex A. It should also note the following –
- (a) an amount of not more than **25% of the approved project fund** may be used to cover staff costs³ directly and specifically incurred on the project;
 - (b) for a project with an approved project fund of **\$0.2 million or below**, an amount of not more than **10% of the approved project fund** may be included by an NGO to cover the organisation's overheads, known as "Central Administrative Overheads" (CAO) (such as supervisory staff and Headquarters expenses in overseeing the funded project

² Grantees refer to all recipients of CI fund, including government departments, DO, DCs, C/WGs under DCs/DOs as well as NGOs.

³ Staff costs refer to the costs incurred in employing project staff and/or casual workers to follow through a project and/or for subsidising the overtime allowance for existing staff employed by NGOs for running a project. Costs of hiring tutors and coaches, etc. are not regarded as staff costs but are permissible items of expenditure that can be met from CI fund.

under the CI fund). For a project with an approved project fund **exceeding \$0.2 million**, the amount of CAO that an NGO may claim is limited to **10% of the actual project cost**. All NGOs can apply for CAO regardless of whether they carry out the project on their own or in partnership with DO or DC;

- (c) an amount of not more than **10% of the approved project fund** may be used to cover other miscellaneous items directly and specifically incurred on the project. Such items may or may not be included in the list of permissible items of expenditure at Annex A; and
- (d) capitalised equipment and furniture (see paragraph 7.2) may be procured with CI fund, subject to the following conditions –
 - (i) the item should be wholly and necessarily used for the implementation of the approved project;
 - (ii) there should be a continued need for the item in implementing CI projects in the future (otherwise the item should be hired rather than purchased);
 - (iii) storage of the item is not a problem (otherwise the item should be hired rather than purchased);
 - (iv) the item should not become the personal property of any individual person; and
 - (v) the item should not give rise to any recurrent costs, e.g. electricity charges, to be met from CI fund.

5.1.5 In endorsing a project, DOs may support an additional amount of not more than **5% of the project fund (i.e. the approved budget of the project)** as contingency to meet any unforeseen commitment arising from the items of expenditure.

5.2 Project Ceiling

A maximum amount of **\$2.5 million** may be approved for each project. Applications for supplementary funds exceeding the ceiling will only be considered by DHA for projects implemented by DOs on ground of exceptional merits.

VI Application for CI Fund

6.1 Details of Application

6.1.1 Applicants (other than DOs and government departments) are required to submit an application to the respective DO which should set out the project proposal [Sample application form at Annex B. The section on declaration and consent (i.e. Part 7 and 8⁴) must be included and should not be amended]. The application should contain the following information –

- (a) the name and background of the organiser, and documentary proof of eligibility to apply, if applicable (see paragraph 6.3.1);
- (b) details and form of collaboration with other co-organising bodies for the project, if any;
- (c) details of the project such as its nature, purpose and the venue for the event;
- (d) the work plan and timetable;
- (e) the budget of the project with an itemised breakdown;

⁴ The person signing the application (e.g. the chairman of DC or C/WG under DC/DO, and if he/she refuses, the secretariat staff) which contains the declaration in Parts 7 and 8 should confirm that all members of DC or C/WG under DC/DO (as applicable) have declared on interest and National Security Law as per the application requirements. In the back-end, DOs should arrange all members to make such declaration at the meeting when processing the CI fund application. The relevant documents should be kept for record. If a member of DC or C/WG under DC / DO refuses to make the declaration, the DO should consider the way forward. As a general guideline, if a member refuses to make the relevant declaration, he/she should not participate in the discussion of the application concerned. This can ensure that he/she would not affect the content of the application and the application will not be held up. Otherwise, the application could in effect be vetoed by a member who refuses to make a declaration.

- (f) the expected benefits/achievements of the project (with proposed performance measurement and milestones in quantifiable terms, if applicable);
- (g) the other sources of funding support (e.g. proceeds from ticket sales and cash donations, etc.) expected to be received (see paragraph 7.4);
- (h) the cash flow projection throughout the funding period;
- (i) ticket allocation arrangement, if applicable (see paragraph 8.6); and
- (j) any other relevant information in support of the application, having regard to the vetting criteria as set out in paragraph 6.6.

6.1.2 To enhance administrative efficiency, in respect of projects executed by DO staff on behalf of the DC or C/WG under DC/DO which cost \$100,000 or less, instead of submitting separate detailed applications as required in paragraph 6.1.1 above, DO staff may submit a consolidated submission for a batch of small scale projects to the respective DO, setting out the respective estimated project budget without giving a detailed budget breakdown of each project, provided that prior endorsement has already been given by the respective DO, DC or C/WG under DC/DO for the project concerned. For internal scrutiny purposes, DO staff are required to document the detailed budget breakdown in the subject file in the context of seeking funding approval from the officer authorised by Director of Home Affairs (DHA) (see paragraph 6.5.3).

6.2 For government departments including DOs applying for CI fund or requested by DOs to undertake certain district programmes or activities with CI fund, they should provide as much relevant information as possible as per the above list but due regard has to be given to the prevailing government regulations, fee-charging policy and established practices of the departments concerned.

6.3 Eligibility Criteria for Application

6.3.1 Government departments including DOs, DCs and C/WGs under DCs/DOs are eligible to apply for CI fund. In addition, NGOs fulfilling the following criteria are also eligible -

(a) a statutory organisation or an organisation registered under the laws of the Hong Kong Special Administrative Region (e.g. the Companies Ordinance (Cap.622), the Societies Ordinance (Cap.151), and the Inland Revenue Ordinance (Cap.112)) and established wholly or mainly for the benefit of the district in which it is set up. For territory-wide organisations established to serve the public as a whole, their application should involve a project that will benefit the local community and the people who live, work or study in the district; or

(b) an autonomous body of persons (whether incorporated or not) established wholly or mainly for the benefit of the district in which it is set up; or an organisation established to serve the general public which organises activities for the benefit of the local community and the people who live, work or study in the district.

6.3.2 The offices of Legislative Council Members, DC Members, political parties and associations, however, are not regarded as NGOs for the purpose of applying for CI fund.

6.4 Publicity on Invitation of Applications

DOs should from time to time arrange suitable publicity, such as through the HAD/DO websites, to invite applications from NGOs (e.g. cultural or arts organisations) for the grant of CI fund to organise CI projects. DOs may also invite NGOs to bid for projects now undertaken by designated organisations on behalf of the DO (e.g. management of a district football team and organising a dragon boat race, etc.). The publicity should contain relevant information such as the procedures and deadline for application, permissible items of expenditure and accounting arrangements.

6.5 Processing Procedures and Funding Approval

- 6.5.1 Upon receipt of an application, the DO staff concerned will examine the project proposal to check whether it is within the ambit of CI fund and whether the proposed items of expenditure fall within the list of permissible items of expenditure and the relevant expenditure limits. Where necessary, the DO staff will consult those government departments which may have an interest in the proposed project before submitting the project proposal to the DOs for consideration.
- 6.5.2 After a preliminary assessment by DO staff, the application will be submitted to an internal vetting panel⁵ appointed by DO for a decision as to whether the application should be supported. The decision of the panel should be recorded in the minutes of the relevant panel meeting, with justification provided as far as practicable. Details of the panel's endorsement, including the amount of funds endorsed, should also be recorded if they are not covered in other related documents.
- 6.5.3 Upon endorsement by the vetting panel, DHA or any officer authorised by DHA will approve the funding of the project if he/she is satisfied that the project falls within the ambit and scope of CI fund. The applicant will be informed of the outcome accordingly.
- 6.5.4 As a rule, all successful applicants are required to ensure that the name and, as far as practicable, the logo of HAD is displayed in all publicity materials of the programmes and activities financed by CI fund. In addition, NGOs and DO, DCs or C/WGs under DCs/DOs which implement joint projects in collaboration with NGOs will be required to comply with the terms and conditions at Annex C in implementing the approved projects.

6.6 Vetting Criteria

⁵ The vetting panel should be comprised of not less than three officers, one not below the rank of SEO/SLO or equivalent as the Chairperson and two not below the rank of EO II/LO II or equivalent as the Members.

6.6.1 Funding support may be given to projects that fall under the ambit of CI fund (see Section II). Funds expended must directly benefit the local community and the people who live, work or study in the district.

6.6.2 DOs may determine the respective priorities or themes for expending CI fund in a particular year but generally it is expected higher priorities be accorded to projects featuring the following characteristics –

- (a) programmes and activities with district characteristics and undertaken at district level;
- (b) joint projects in collaboration with different sectors and NGOs aiming to achieve a particular social objective;
- (c) continuity: programmes which seek to plant seeds for more activities of similar nature to be held in future, thereby producing long-lasting and sustainable benefits to the community;
- (d) professionalism: projects proposed by NGOs which possess the necessary experience, capacity, resources and know-how relevant to the community activities; or
- (e) inclusiveness: projects targeted at the underprivileged such as the singleton elderly, ethnic minorities, the disabled, new arrivals and neglected children, etc. as well as the family as a unit.

6.6.3 The following types of projects will **not** normally be supported –

- (a) projects that may give undue credit or publicity to an individual, a commercial firm, a political party or association;
- (b) projects that are intended for the exclusive or personal benefit of an individual;

- (c) projects that involve disbursement of cash relief;
- (d) projects that are launched primarily for profit-making or fund-raising purposes; or
- (e) projects that are more appropriately charged to other government or departmental votes.

6.6.3(A) Moreover, projects that are submitted by an applicant who is suspected to have involved in activities endangering national security or the proposed project is suspected to involve activities that may risk violating National Security Law and other applicable law or contrary to the interest of national security should NOT be supported.

6.6.4 The following criteria will also be used to assess the merits of individual applications –

- (a) whether the applicant has a satisfactory performance record in delivering past projects, having regard to the project completion reports it submitted and the project evaluation reports completed by the DO or DC previously. Such records would be compiled by the DO staff;
- (b) whether the project's implementation schedule is well planned and practicable;
- (c) whether the proposed budget is prudent and realistic; whether the proposed project is cost-effective and whether the proposed items of expenditure are reasonable in terms of nature and quantity;
- (d) whether the proposed project has alternative sources of funding support, or should more appropriately be funded by other sources;
- (e) whether there is or likely to be a duplication of events already or currently carried out by other groups; and

(f) whether the background and integrity of the applicant as reflected in its previous conduct and activities is suspected to have involved in activities endangering national security or the proposed project is suspected to involve activities contrary to the interest of national security. As mentioned in paragraph 6.6.3(A) above, in no circumstances should such projects be given funding support.

6.6.5 Every application will be considered on its own merits. Under no circumstances should block grants be made to an applicant to cover several projects prior to obtaining details of individual projects; or cross-subsidy of projects be allowed by transferring expenses from one project to another.

6.6.6 Where possible, an applicant should approach a single source of government funds for seeking financial assistance for a project unless sufficient funds cannot be secured from any single source. In addition, CI fund should not normally be used to supplement public funds provided by the Government under another vote for the same project.

VII Administrative and Financial Arrangements

7.1 Procurement of Goods and Services

7.1.1 Procurement made by government departments

- (a) Government regulations including the Stores and Procurement Regulations (SPR) and circulars as well as departmental guidelines on procurement procedures should be followed in implementing CI projects by government departments, including DOs except when DOs organise the projects in collaboration with NGOs, DCs or C/WGs under DCs/DOs (see paragraph 7.1.3 below). In particular, government departments should observe the following quotation requirements and accept the lowest conforming offer or the conforming offer with the highest overall score (if a marking scheme is used) –

Item of procurement	Estimated value	No. of written quotations required
Goods	\$5,000 or below ⁶	Preferably 2
	\$5,001 - \$50,000	2
	\$50,001 – \$1,400,000 ⁷	5
Services	\$5,000 or below ⁶	Preferably 2
	\$5,001 - \$50,000	2
	\$50,001 – \$1,400,000 ⁷	5

- (b) As a general rule, procurement not exceeding \$50,000 should be made by using purchasing cards issued to the relevant officers by Government’s designated banks. Officers should follow the lists of the purchasing card suppliers provided by the card issuing banks in the selection of suppliers.
- (c) In general, for procurement of goods and services exceeding \$1,400,000, open tendering procedures should be used.

7.1.2 Procurement made by NGOs

- (a) NGOs should exercise utmost prudence and uphold the principles of openness, fairness, competitiveness, transparency, pro-innovation, integrity and value for money in making procurement with CI fund. In particular, they should strictly observe the following quotation requirements in making procurement with CI fund regardless of the value and accept the lowest conforming offer or the conforming offer with the highest overall score (if a marking scheme is used) –

Item of procurement	Estimated value	No. of written quotations required
Goods	\$5,000 or below ⁸	Preferably 2
	\$5,001 – \$50,000	2
	\$50,001 – \$1,400,000	5
Services	\$9,000 or below ⁸	Preferably 2

⁶ To meet immediate needs, minor purchases of goods and services can also be made in cash under SPR 265(a) and 290(a) provided that the total value of the purchase does not exceed \$5,000.

⁷ Please refer to quotation limit for government departments to procure goods and services as set out in SPR 220(a), which may be updated from time to time.

⁸ Minor purchases of goods and services can also be made in cash to meet immediate needs. No quotations will be required if the total value of the purchase does not exceed \$1,500.

	\$9,001 – \$50,000	2
	\$50,001 – \$1,400,000	5

For procurement of goods and services exceeding \$1,400,000, open tendering procedures should be used.

- (b) The NGO should nominate its employee(s) or member(s) as designated person(s) for the procurement and be able to provide their particulars (e.g. ID card number and address) to the Government as and when necessary.
- (c) Prior to the procurement, the designated person should obtain the required number of quotations and complete a record of quotations at Annex D. All written quotations from suppliers should be attached. If a written quotation cannot be obtained for purchases of less than \$50,000, the supplier should be asked to confirm the quoted price in writing (e.g. fax message). The confirmation should be attached to the record of quotations. Subsequent to the procurement, the designated person should be responsible for the receipt and use of goods and services for the project and ensure that such goods/services are ordered, received and appropriately used for the project concerned.
- (d) If more than 50% of the total estimated cost of a project is financed by CI fund, the NGO should follow the procurement procedures as stated in paragraphs 7.1.2 (a) - (c) in implementing the entire project, irrespective of whether the procurement is made using CI fund or other sources of finance.
- (e) In case where the procurement procedures as stated in paragraphs 7.1.2 (a) - (d) are not followed (e.g. a sponsor has made specific requests to hire a particular supplier/contractor), full justifications must be given and properly recorded in Annex D for auditing purposes.
- (f) The NGO is not required to submit the record of quotations at Annex D to DO staff unless being requested to do so. If requested, the NGO should submit the form together with the quotations according to the deadline set by the DO staff.

- (g) The NGO, its co-organiser(s), members and staff should avoid engaging in activities which may result in actual or perceived conflict of interest (e.g. a project staff member procuring goods / services or inviting quotations for the project from company of his own or his immediate family) arising from their involvement in the approved project. They should declare any interest during procurement of goods and services, recruitment and other processes in managing projects (e.g. ticket allocation, adjudicating at competitions) which might involve financial or personal interests, and are prohibited from soliciting, accepting or offering any advantages in the course of planning and executing the project. If there is a conflict of interest, the NGO should decide whether the co-organiser(s), member or staff concerned should abstain from the process(es) concerned and record the reasons for its decision.
- (h) The principles of openness, fairness, competitiveness, transparency, pro-innovation, integrity and value for money should be observed when making purchases. The NGO is advised to make reference to the Corruption Prevention Best Practice Checklist on procurement issued by the Independent Commission Against Corruption (ICAC) where appropriate. The checklist is available on ICAC's website at www.icac.org.hk.
- (i) All quotations and documents in relation to the procurement of a project should be kept for five years⁹ for inspection by the Government as and when necessary.

7.1.3 Procurement made by DOs, DCs or C/WGs under DCs/DOs

- (a) *For projects organised in partnership with an NGO*

The procurement arrangements stated in paragraph 7.1.2 will apply when a DO or DC or C/WG under DC/DO implements a joint project with an NGO.

⁹ NGOs not subjected to any requirements imposed by the relevant ordinances under which they are registered to keep financial, accounting and procurement records may return the records and documents concerned to the DO staff if they have practical difficulties in keeping such information or in the event of their disbandment before the end of the five-year retention period.

- (b) *For projects executed by DO staff on behalf of the DC or C/WG under DC/DO*

The procurement arrangements stated in paragraph 7.1.1 will apply.

DO staff are exempted from the requirement to follow the procurement procedures for hiring printing and transport services from Government Logistics Department.

7.2 Capitalised Items

- 7.2.1 A capitalised item refers to any piece of equipment or furniture with a unit cost of over \$1,000 and an expected life-span of one year or more. Computer software and fixtures such as built-in cabinets are not classified as capitalised items. Procurement should only be made if the item is considered absolutely essential for implementing CI projects and where it is more cost-effective to acquire the item by procurement than renting it.
- 7.2.2 Government regulations and departmental guidelines are to be followed in managing and disposing of capitalised items which are procured by government departments or DO staff on behalf of DO, DC or C/WG under DC/DO.
- 7.2.3 When NGOs procure capitalised items for their projects or projects organised in partnership with DO, DC or C/WG under DC/DO, they should maintain an equipment register to account for all capitalised equipment and furniture procured with CI fund. The capitalised items and equipment register should be made available for inspection by the Government as and when necessary.
- 7.2.4 If the capitalised items are found to be not being used for the project or if the project is terminated during the implementation stage or within the project period, the Government reserves the right to take back the capitalised items procured with CI fund and any costs so incurred, e.g. transportation expenses, are to be borne by the NGO.

- 7.2.5 If the capitalised item is no longer required for implementing CI projects but is still serviceable, the NGO concerned should return the item to the Government. In case of selling, transferring an item to another party for implementing CI projects or disposing of an item, the NGO concerned is required to obtain prior written approval from DHA or any officer authorised by DHA.
- 7.2.6 NGOs should also account for any deficiencies between the physical and ledger balances of capitalised items under their custody. They have to report immediately, in writing, all cases of loss or deficiency to DHA. They should make a report to the police if the losses or deficiencies involve a criminal act or suspected criminal act. They should also investigate the loss or deficiency and forward their report, to be supported by the police report if appropriate, to DHA. Where appropriate, DHA may recover from the NGO concerned any financial losses arising from the loss or deficiency of capitalised items under their custody.

7.3 Payment Arrangements

7.3.1 Payment to Government Departments (except DOs)

HAD will provide funding direct to the relevant government department by means of an allocation warrant. Where an approved project is planned to incur expenditure in more than one financial year, HAD will arrange to issue allocation warrants to the department based on the approved cash flow requirements for the financial years concerned; one for the current financial year after funding approval has been obtained and the other(s) at the beginning of the subsequent financial year(s). The department should submit an income and expenditure statement to the DO (see Appendix II to Annex E) within two months of completion of a project.

7.3.2 Payment to NGOs

Reimbursement of CI fund is normally made to an NGO on completion of a project. To facilitate implementation of the project, however, payment can be made in the form of advance

payment and partial reimbursements. Details of the payment arrangements, the supporting documents required and other relevant requirements are at Annex E.

7.3.3 Payment to DOs, DCs or C/WGs under DCs/DOs

(a) *For projects organised in partnership with an NGO*

The payment arrangements set out in paragraph 7.3.2 will apply when a DO, DC or C/WG under DC/DO implements a joint project with an NGO.

(b) *For projects executed by DO staff on behalf of the DO, DC or C/WG under DC/DO*

Payments will be settled directly by HAD upon receipt of invoices and/or supporting documents. DO staff should submit an income and expenditure statement to the DOs (see Appendix II to Annex E) within two months upon completion of a project.

7.4 Project Income and Residual Funds

7.4.1 Fees may be charged for the programmes and activities financed by CI fund. Grantees should, where appropriate, follow Government's fee-charging policy and arrangements in formulating charges for CI projects. Any income generated in CI projects implemented by Government departments or DO staff will be regarded as revenue of the Government and is to be credited to the General Revenue Account direct, it should not be used to meet any project expenses.

7.4.2 Irrespective of whether they have so declared in the project proposals, NGOs should utilise all income in the first instance before CI fund is used to meet project expenses. The same arrangement should apply to sponsorship, cash donations and other sources of income. Any surplus funds identified from the project upon its completion should be returned to the Government. All records pertaining to the receipt of income should be kept for five years⁹ for inspection by the Government as and when necessary.

7.4.3 The arrangements set out in paragraph 7.4.1 will apply when DO staff execute a CI project on behalf of a DO, DC or C/WG under DC/DO. In case of a joint project which DO, DC or C/WG under DC/DO implements in collaboration with an NGO, the arrangements set out in paragraph 7.4.2 will apply.

7.5 Sponsorship and Donations

7.5.1 Sponsorship in cash or in kind and donations are generally acceptable except for sponsorship/donations from companies selling tobacco and hard liquor, or from those individuals or organisations who are the contractors for the same item of service or equipment for a project.

7.5.2 All sponsorship/donations in cash and in kind such as prizes, food, beverages and provision of printing services must be acknowledged in writing and disbursed according to the wishes of the sponsors/donors. Contributions unspent or unused should be returned to the sponsors/donors unless they wish to contribute them to other projects.

7.5.3 The name and logo of the sponsor/donor should not be bigger or placed in a more prominent position than that of HAD and other government departments which organise the event when acknowledging sponsorship/donations in any publicity material relating to the project.

7.5.4 Applicants will be required to provide details of all sources of sponsorship and donations as far as practicable when they apply for CI fund and, where necessary, during the implementation of the project. On completion of the project, they should indicate in the income and expenditure statement the amount of sponsorship and donations received.

7.5.5 The names of the sponsors/donors, the type, amount and ultimate usage of sponsorship/donations received, as well as copies of the acknowledgement letters to sponsors/donors in relation to the project should be kept for five years⁹ for inspection by the Government as and when necessary.

7.5.6 Unless otherwise stated in the Manual, Government departments and DO staff are requested to comply with the relevant government regulations and circulars as well as departmental guidelines on the acceptance of sponsorship and donations when implementing projects.

7.6 Variations to Project

7.6.1 Projects should be carried out in accordance with the approved plan and budget.

7.6.2 In case of major amendments or variations (i.e. changes in project nature and cashflow requirement; the addition of items of expenditure not covered in the original approval and other additional expenditure exceeding the 5% contingency funds), the grantee should give reasons to the DOs and seek its prior written approval.

7.6.3 As regards other changes/variations to the project, the grantee should also keep the DO informed.

7.6.4 For projects executed by DO staff on behalf of the DO or DC or C/WG under DC/DO which cost \$100,000 or less, save for major amendments or variations, there is no need to seek further approval from DOs merely for –

(i) addition of permissible items of expenditure not covered in the original approval provided that the approved project sum has not been exceeded; or

(ii) addition of non-permissible items of expenditure not covered in the original approval as long as the total amount of the newly added non-permissible items of expenditure and the amount of miscellaneous items already covered in the original approval is within the 10% limit of the approved project fund for covering other miscellaneous items (see paragraph 5.1.4(c)).

7.7 Public Liability and Accident Insurance

- 7.7.1 There is no need to purchase public liability and accident insurance in respect of activities implemented by DOs or HAD HQ, DCs, C/WGs under DCs/DOs and other government departments except where it is a mandatory requirement / condition for the lease of non-government venues.
- 7.7.2 If a project is co-organised by a government department and an NGO, the liability for an accident will be apportioned between the two parties. The actual apportionment will depend on the facts and circumstances of individual cases, and will be subject to legal advice.
- 7.7.3 NGOs are responsible for taking out insurance for their activities. For projects solely financed by CI fund but organised in partnership with NGOs, the NGOs are allowed to take out insurance using CI fund.
- 7.7.4 The premium and premium levy for public liability insurance and accident insurance are permissible items of expenditure for the grant of CI fund.

VIII Monitoring Mechanism

8.1 Progress and Final Reports

- 8.1.1 To ensure that CI fund is used in accordance with the approved budget and purposes, the grantee is required to submit a final report to the DO staff within two months of completion of the project.
- 8.1.2 In addition to the project completion report, NGOs are required to submit six-monthly progress reports if the project is of a duration of more than one year. All progress reports should be submitted within two months of the end of each six-month period. The formats of the final and progress reports are at Annexes F1 and F2 respectively.

8.2 Visit and Evaluation

8.2.1 An evaluation system should be in place to monitor the effectiveness of the projects. DOs are given the flexibility to devise their own evaluation system as they see fit but generally we would expect DO staff who are not involved in the project administration and do not have an interest in the organisation or the project under evaluation to conduct visits or attend the activities on a random basis. They should examine the progress of the project and evaluate whether the objectives of the project have been met. An evaluation report at Annex G will need to be submitted to the DOs after the visit. DOs should ensure that evaluation reports are returned after the visits and the DO staff should input evaluation results in the Information System concerned.

8.2.2 DOs should inform the grantee if unsatisfactory evaluation findings are identified and provide it with an opportunity to comment on the evaluation result for incorporation into the evaluation reports. It should also inform the grantee that the DO will make reference to the evaluation reports when considering applications for CI fund in future.

8.3 Public Scrutiny

8.3.1 For evaluation purposes, DOs should consider inviting participants to provide feedback on the performance and effectiveness of the projects, especially those of a larger scale and which last for a longer period. To facilitate public participation and evaluation, a list of current and upcoming programmes and activities financed by CI fund together with a relevant summary of approval results at Annex I should be publicised through various means such as HAD/DO's websites (My District) and notice boards.

8.3.2 Documents submitted by the grantees, such as application forms, reimbursement claims and related documents, may be released for public inspection provided that any disclosure of personal data shall be in accordance with the requirements and/or exemptions as provided in the Personal Data (Privacy) Ordinance (Cap. 486).

8.4 Pre-mature Termination of Project

8.4.1 The grantee should inform the DO in writing in the event of premature termination of a project during the preparation or implementation stage.

8.4.2 Depending on the circumstances and the reasons provided by the NGO, the DO may, where applicable, endorse reimbursement of expenses already incurred in the preparation/implementation of the project. If the DO considers that the cessation of the project is due to negligence of the NGO, no subsequent reimbursement should be made and the NGO should be required to return immediately to the Government the full/partial amount of the advance payment and/or reimbursement previously received.

8.5 Breach of Terms and Conditions by NGOs

8.5.1 To ensure that the terms and conditions for receiving CI fund imposed on grantees are fully observed, DO staff will conduct audit checks of the records kept by the grantees on a random basis. The following penalty should be imposed if an NGO fails to observe the terms and conditions imposed on it, if any, in implementing the CI project without a reasonable explanation -

- (a) low priority would be accorded when the NGO next submits an application for CI fund ; and
- (b) if the NGO is subsequently granted CI fund for implementing CI projects and fails again to observe the terms and conditions, further applications for funds will be rejected.

8.5.2 Based on the DO's advice, the DO staff should inform the NGO of the irregularities found and the penalty imposed for the breach.

8.6 Ticket Allocation

For activities involving ticket allocation, grantees should ensure that the tickets are distributed, allocated or sold in an open and fair

manner. Generally speaking, CI fund should not be used to subsidise any discounts offered in favour of particular persons (e.g. members of a particular organisation). DOs should issue their own supplementary guidelines on allocation of tickets as necessary having regard to the above principles. Applicants for the CI fund should be required to state in their applications the ticket allocation proposal.

IX Conflict of Interest

9.1 DC members (including co-opted members) and DO staff should make a declaration on any conflict of interest which may be actual, potential or perceived. For example, they should declare an interest under the following circumstances -

- (a) they have pecuniary or other interest in matters relating to the project proposal and selection of quotations or have any connection with a party who has applied for/been granted CI fund for implementing a CI project; and
- (b) they have introduced or nominated a supplier/contractor for a quotation exercise.

Other procedures set out in the DC's Standing Orders governing declarations of interest should also be observed.

9.2 DC members (including co-opted members) and DO staff should refrain from having business dealings with any party associated with projects financed by CI fund, which may bring the DCs and DOs into disrepute. If for any reason it is not possible to avoid such dealings, the DC member / DO staff concerned should declare the transaction to the DC / DO and withdraw from the relevant DC / DO proceedings as appropriate.

9.3 DC members (including co-opted members) and DO staff should, as far as practicable, make a declaration of interest before the matter is discussed. If at any other time a DC member (including co-opted members)/or a member of DO staff finds that he has an interest to declare, he should do so immediately and, where

appropriate, complete a declaration form at Annex H. In any case, the declaration form should be attached to the project completion report for submission to the DO.

- 9.4 All declarations of interest should be recorded in the relevant minutes of the meeting (e.g. DCs / DO internal vetting panel), stating the nature of interest declared, the decision of the meeting and the rationale behind the decision as appropriate.
- 9.5 Project applicants (including other Government Departments and NGOs) should make declaration of interest on the application form if they have any pecuniary or other interest in matters relating to the project proposal, including for example, previous business dealings with any DC Members (or their assistants) / DO staff.

X Public Accountability

To ensure that CI fund are well spent for the benefit of the community, all parties concerned are expected to perform their roles in a responsible and accountable manner.

10.1 Role of DOs

DOs will make decisions about the spending of CI fund in their respective districts. In particular, DOs are responsible for -

- (a) project identification and planning;
- (b) determining whether the projects are within the ambit of CI fund and should be implemented;
- (c) determining the scale of projects;
- (d) determining the priority of projects;
- (e) determining the timetable of projects for implementation; and
- (f) monitoring the progress of implementation and the overall effectiveness of projects.

10.2 Role of Grantees

- (a) Government departments delivering projects with CI fund

should ensure that funds are expended within the ambit of CI fund and in accordance with the relevant government rules and regulations as well as the special conditions imposed by the DOs in approving the funds. They should be responsible and accountable to the respective DOs and provide progress reports and evaluation to DOs in a timely manner.

- (b) NGOs are accountable for their acts, including the performance of their employees and/or members, during the project periods and should bear all liabilities and legal responsibilities arising from the implementation of the projects. In particular, they should be responsible for their purchasing and spending decisions which involve the use of CI fund. They should strictly observe the principles of openness, fairness, competitiveness, transparency, pro-innovation, integrity and value for money in dealing with recruitment and purchasing matters as appropriate.
- (c) In performing their role as grantees, DOs, DCs or C/WGs under DCs/DOs should ensure that funds are expended within the ambit of CI fund and in accordance with the guidelines set out in this Manual. They should be responsible and accountable to the public for the programmes and activities they implement with CI fund.

Annex A

**Permissible Items of Expenditure for Projects
Financed by Community Involvement Fund**

- (a) Employment of project staff including hire of temporary or casual workers¹ (not exceeding 25% of the approved project fund)
- (b) Central Administrative Overheads of non-government organisations (not exceeding 10% of the approved project fund for projects with an approved project fund of \$0.2 million or below and up to 10% of the actual project cost for projects with an approved project fund exceeding \$0.2 million)
- (c) Procurement of capitalised equipment and furniture²
- (d) Hire of transport
- (e) Travelling expenses for volunteers using public transport
- (f) Hire and decoration of venue, hire of lighting and public address facilities
- (g) Hire of slides, videos, furniture and equipment
- (h) Procurement of postage, stationery, stores, minor equipment, and expenses for implementing waste reduction measures
- (i) Payment of fees to hire experienced and professional coaches in various cultural, recreational and sport activities, and adjudicators or referees for competitions
- (j) Payment of fees to performers (including master of ceremony) and artists

¹ The wage for casual/non-skilled workers must not lower than the prevailing Statutory Minimum Wage.

² The unit cost of capitalised item should not exceed \$200,000 each.

(k) Purchase of beverages, light refreshments and light meals:

Item	Rate per head / per day of activity	Recipient
Beverages and light refreshments	\$64*	Performers, volunteers, guests and participants involved in activities continuously for less than three hours
Or Light meals (including beverages)	\$87*	Performers, volunteers, guests and participants involved in activities continuously for three hours or more and with a lunch or supper break

(l) Purchase of souvenirs, prizes and gifts of a token nature, e.g. to be given during goodwill visits to hospitals, orphanages, and homes for the elderly, etc. :

Item	Limit of expenditure per item
Souvenir or gift of a token nature	Not exceeding \$410*
Prizes	Not exceeding \$1,500*

(Cash or items that may be cashed (e.g. bank coupons) must not be given. Grantees are required to use environmentally-friendly materials for their souvenirs or gifts of a token nature.)

(m) Purchase of sports uniforms (excluding sports shoes) for participants representing the district in inter-district/district sports events. The cost of the uniforms should not normally exceed \$300* per person

(n) Procurement of services such as processing of films and slides, production of design and artwork, catering services, etc., and tariffs for the playing of copyright works

(o) Premium and premium levy for public liability insurance and accident insurance where necessary

- (p) Expenses for hiring service from a certified public accountant (practising) or a corporate practice (applicable to activities organised by NGOs or by DO or DC or C/WG under DC/DO in partnership with NGOs)
- (q) Expenses for publicising the work of District Councils and District Offices
- (r) Hire of contractors for providing services for campaigns organised or sponsored by the District Council and District Office, including organisation of activities, production of entertainment programmes, design and printing of publicity materials
- (s) Payment of fees for conducting district research and surveys

Notes(i): For items with a set expenditure ceiling, no additional costs should be spent on the item by transferring the additional costs involved to the miscellaneous expenses referred to in paragraph 5.1.4(c) of the Manual.

(ii): * Rates are subject to adjustment with reference to the movement of the Composite Consumer Price Index.

(iii): Grantees are suggested to make reference to the “Waste Reduction Guidebook for Large Scale Event Organisers” which assists event organisers and other relevant stakeholders in formulating waste management strategies to minimise waste generation and to save useful resources as much as possible for reuse, recycling or upcycling. The Guidebook is available at https://www.wastereduction.gov.hk/en/green_event_guide.htm

**Application for a Grant under Community Involvement Fund
District Office**

[Note: Applications from government departments may use their own form]

1. Basic Information

(A) Name of organisation: (Chinese) _____
(English) _____

(B) Registered address: _____

Correspondence address: _____
(if different from the registered address) _____

(C) Telephone No.: _____ Fax No.: _____

(D) The Organisation is –
 registered under _____ Ordinance
 (please attach related documentary proof)
 an autonomous body of persons established for the benefit of
 _____ District.

(E) Responsible Persons

Authorised Person ¹ of the Organisation	Designated Officer-in-charge ² of the Project
Name: (Chinese) _____ (English) *Mr/Ms/Miss _____	Name: (Chinese) _____ (English) *Mr/Ms/Miss _____
Post: _____	Post: _____
Contact Tel No.: _____	Contact Tel No.: _____
Fax No.: _____	Fax No.: _____
Email Address: _____	Email Address: _____

1: Authorised Person refers to the person who applies for CI fund on behalf of the organisation and signs the application form.
 2 Designated Officer-in-charge serves as the contact officer of the project who may also certify the receipts and supporting documents for the purpose of reimbursement of CI fund. Authorised Person and Designated Officer-in-charge can be the same person.
 * Delete as appropriate

(F) Record of Application for CI Fund

- This is our first application for CI fund
- We previously applied for CI fund
 - but our application was not approved.
 - and grants were approved. Details of the last three applications over the past five years, if applicable, are as follows:

	<u>Name of Activity</u>	<u>Date of Activity</u>	<u>Amount Approved (\$)</u>	<u>Project No.</u>
1.	_____	_____	_____	_____
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____

2. Details of Co-organiser(s) (For project to be implemented in collaboration with other organisations/District Councils)

Name of Co-organising Organisations(s)/Name of Contact Person(s)/Telephone No./Fax No./Email Address	Brief description of the nature and form of collaboration or support
1.	_____

2.	_____

3. Details of the Proposed Project

- (A) Name of Programme/Activity: _____
- (B) Nature: _____
- (C) Objectives: _____
- (D) Date/Period of Implementation: _____
- (E) Setting-up/Preparation Period: _____
- (F) Amount of Grant Applied for: _____ \$
- (G) Venue: _____
- (H) Content: _____

- (I) Target Group(s): _____
- (J) Estimated Number of Participants/Audience: _____
- (K) Publicity and Promotion Method: _____
- (L) Expected Benefits/Achievements
 (Please propose performance measurement and milestones in quantifiable terms if applicable):
- (1) _____
- (2) _____
- (3) _____

(M) Work Plan/Implementation Timetable

Action	Timetable

(N) Ticket Allocation Proposal (If applicable):

4. Budget and Cash Flow Projection

(A) Estimated Income and Expenditure Statement

Estimated Income (If applicable)	Number (i)	Unit Rate \$ (ii)	Total Amount \$ (iii)=(i)x(ii)
Participants' fees ³			
Internal resources			
Sponsorship & donation			
Others			
Total Estimated Income (a)			

Estimated Expenditure⁴	Quantity (i)	Unit Cost \$ (ii)	Total Amount \$ (iii)=(i)x(ii)
Total Estimated Expenditure (b)			

Amount of CI Fund under Application (c) = (b) – (a)	
--	--

3: For projects implemented by government departments or DO staff on behalf of the District Office (DO) or DC or the Committees/Working groups under DCs/DOs, the income generated from participants' fees, if any, should be separately listed in Section 5 and not to be stated in this item as the income will be regarded as Government revenue and will not be ploughed back to finance the project.

4 If funds are to be expended for procurement of capitalised items, the applicant is required to state in Part 5 whether capitalised items have been procured with CI fund. If affirmative, a copy of the equipment register/inventory record should be submitted together with the application form.

(B) Cash Flow Projection (If applicable)

	Projected Cash Flow								
	1st Year (\$)		2nd Year (\$)		3rd Year (\$)		4th Year (\$)		Total Amount (\$)
	Months 1-6	Months 7-12	Months 1-6	Months 7-12	Months 1-6	Months 7-12	Months 1-6	Months 7-12	
(a) Income									
(b) Expenditure									
Net Cash Flow Requirement ((b) – (a))									

(C) Requirement of Advance Payment⁵ (Only applicable to NGOs)

Year	Date of Advance Payment to be Required	Amount Required (\$) and Intended Purpose
Year 1		
Year 2		
Year 3		
Year 4		

5. Other Information

Please provide any other information relevant to the project proposal which should be taken into account in considering the application.

⁵ The advance payment for the first year will be released upon approval of the project. A fresh application should be submitted if advance payment is required for the subsequent years of project implementation.

6. Alternative Funding Support

Please indicate how the proposed project will be financed if the application is rejected or the approved project fund is less than the proposed amount under application.

- (A) Other sources of income
- Internal resources
 - Sponsorship and donation
 - Increase participants' fees
 - Others (Please specify)

- (B) Cancel the project
- (C) Others (Please specify)

7. Declaration of Interest

- (A)
- I hereby declare that I have no pecuniary or other interest, direct or indirect, relating to the project application.
 - I hereby declare that I have pecuniary or other personal interest, direct or indirect, relating to the project application. The particulars of such matter are stated below :

*(B) To be used for the applications submitted by DC or C/WGs under DC/DO
(Paragraph 7A should be deleted or crossed out.)*

I confirm that all relevant members of _____

(i.e. Name of the organiser)

and any co-organiser(s) have declared interest as per paragraph 7(A) above / with
particulars as stated below (if any interests have been declared).

8. Declaration and Consent of the Organisation

(A) I hereby declare that all the information given in this application is true and accurate. I understand that any inaccurate information will make the application invalid, any grant approved will be withheld and any payment made must be refunded to the Government. I also acknowledge that the Government reserves the right to seek recovery of any money overpaid or fraudulently claimed from the CI fund, as a civil debt due to the Government.

(B) (i)

I hereby declare that to the best of my knowledge I / my staff /other co-organiser(s)* of this application have not been involved in any activities with national security concerns and will ensure the project will not be involved in those activities. I understand that even if the application is approved, the Director of Home Affairs may withdraw funding, request the grantee to refund the amount of payment released or repay any advance payment if it is subsequently found that the project has any national security concerns. I understand I / my staff / other co-organiser(s) * of this application will be liable to relevant criminal offences if the project has any national security concerns.

(ii) To be used for the applications submitted by DC or C/WGs under DC/DO
(Paragraph 8(B)(i) should be deleted or crossed out)

I confirm that all relevant members of _____

(i.e. Name of the organiser)

and any co-organiser(s) have made declaration as per paragraph 8B(i) above.

(C) I hereby agree and consent that the information provided in this application form may be used by the Government to process the application and conduct evaluative studies and training/sharing sessions. I further agree and consent that should this application be successful, all information contained in the application form and the subsequent reports (including but not limited to that concerning my organisation and project details) may be released for inspection by the public and published by the Government for general information. I agree to publicise the fact that the project is supported by the District Office and undertake to display the name of the District Office and HAD and, as far as practicable, the logo of the HAD in all publicity materials and activities related to the project.

(D) I have read and understood the contents of the Manual on the Use of CI Fund (copy attached / at the following link) and the terms and conditions of the grant* and hereby agree to observe the provisions contained in the aforesaid documents (including dissemination of the requirement on declaration of interest to the concerned co-organiser(s), members and staff) should the application for the grant of CI fund be successful.

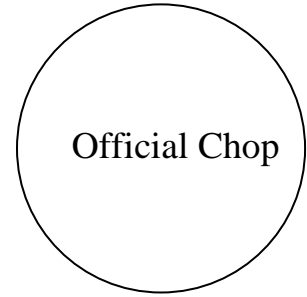
* Delete as appropriate

Signature:

Name of Authorised Person:

Post:

Date:



Purposes of Collection

1. The personal data provided by means of this form will be used by Home Affairs Department for the purposes of handling matters relating to the use of the Community Involvement Fund as well as promoting community involvement activities and public participation in community affairs.

Classes of Transferees

2. The personal data provided by means of this form may be disclosed to other Government departments, bureaux and relevant persons and bodies for the purposes mentioned in paragraph 1 above.

Access to personal data

3. The responsible officer(s) of the organisation has/have a right of access and correction with respect to personal data as provided for under the Personal Data (Privacy) Ordinance (Cap. 486). The right of access includes the right to obtain a copy of the data subjects' personal data provided by this form.

Enquiries

4. Enquiries concerning the personal data collected by means of this form, including access to and correction of the personal data, should be addressed to -

(Designation of subject officer)

_____ District Office

(Telephone No.)

Terms and Conditions For Receiving Community Involvement Fund

The terms and conditions set out below only apply to those grantees which are Non-government Organisations (NGOs) , and District Offices (DOs) or District Councils (DCs) or Committees/Working Groups (C/WGs) under DCs/ DOs implementing joint projects with NGOs. All of them will be referred to as “grantee” in the following paragraphs.

- (a) The grantee is required to carry out the community involvement project in accordance with the provisions contained in the Manual on the Use of CI Fund (the Manual) and the approved plan and budget. The Director of Home Affairs (DHA) reserves the right to seek a refund/withhold any further payment if the project is observed to be no longer viable, to have a substantial deviation from the original plan or to be in breach of the terms and conditions of the grant of CI fund.
- (b) The grantee is required to ensure that CI fund is not used to cover expenditure already incurred prior to funding approval, save for very exceptional and unavoidable circumstances in which DO's prior written endorsement must be obtained.
- (c) The grantee is required, wherever possible, to utilise other sources of income (including cash donations and sponsorship) prior to the use of CI fund to meet project expenses. Any unspent amount of CI fund should be returned to the Government immediately.
- (d) The grantee is required to follow the prescribed procurement procedures contained in the Manual for procurement using CI fund. In addition, if more than 50% of the total estimated cost of a project is financed by CI fund, the grantee should follow the relevant procurement procedures for the entire project, including the use of funds from other sources of finance. Failure to observe the procurement guidelines may result in rejection of application for reimbursement, or refund of CI fund to the Government immediately.
- (e) The grantee, its co-organiser(s), members and staff should avoid engaging in activities which may result in actual or perceived conflict of interest (e.g. a project staff member procuring goods / services or inviting quotations for the project from company of his own or his immediate family) arising from their involvement in the approved project. They are required to declare any interest during procurement of goods and services, recruitment and other processes in managing projects (e.g. ticket allocation, adjudicating at competitions) which might involve financial or

personal interests, and be prohibited from soliciting, accepting or offering advantages in the course of planning and executing the project. If there is a conflict of interest, the grantee should decide whether the co-organiser(s), member or staff concerned should abstain from the process(es) concerned and record the reasons for its decision.

- (f) The grantee is required to adopt fair and open recruitment procedures in recruiting project staff to implement the project, for example, publicising the vacancies through the Labour Department. The grantee is required to ensure that employment of staff meets all statutory requirements, including but not being limited to the prevailing Statutory Minimum Wage.
- (g) For procurement of capitalised items, the grantee (or the NGO in partnership with the DO or DC or C/WG under DCs/DOs) is required to :
 - (i) maintain an equipment register to account for all capitalised equipment and furniture procured with CI fund. The capitalised items and the equipment register should be made available for inspection by the Government as and when necessary;
 - (ii) obtain prior written approval from DHA in case of selling, transferring or disposing of an item; and
 - (iii) report immediately in writing all cases of loss or deficiency to DHA and make a report to the police if criminal element is / may be involved. The grantee should also investigate the loss or deficiency and forward a report, to be supported by the police report if appropriate, to DHA.

DHA reserves the right to take back the capitalised items procured with CI fund if necessary. For cases of loss or deficiency, DHA may recover from the NGO concerned any financial losses where appropriate.

- (h) When the project duration lasts for more than one year, the grantee is required to submit six-monthly progress reports on the project to the DO within two months of the end of each six-month period. Failure to submit a progress report on time may result in cessation of advance payment / reimbursement. (*Only applicable to NGOs*)
- (i) Upon completion of the project, the grantee is required to submit a completion report and an itemised income and expenditure statement together with supporting receipts^{Note} or a report from a certified public accountant (Practising) within two months of the completion of the

project. Relevant documents may be published by the Government as and when necessary.

- (j) Subsequent to the receipt of advance payment for the first year in implementing a cross-year project, the grantee must at least submit one claim for reimbursement of expenses incurred during the year together with an up-to-date income & expenditure statement and supporting receipts^{Note} before they can apply for the advance payment for the subsequent year(s) of project implementation.
- (k) The grantee is required to provide written explanations to the DO in the event that the project is delayed beyond the scheduled implementation date or aborted during the preparation or implementation stage. Failure to provide acceptable explanations may result in having to refund the amount of CI fund to the Government immediately.
- (l) The grantee is required to display the name and as far as practicable, the logo of the HAD in all publicity materials of the approved project (including backdrops, posters, banners, invitation letters/cards, admission slips, coupons, flyers) and state that the activities are financed by CI fund.
- (m) The grantee is required to submit verifiable proof, such as photographs or posters, to show that the activities of the approved project have been held.
- (n) The Authorised Person, Designated Officer-in-charge of the project and other responsible officers of the grantee organisation will be held personally accountable if they submit falsified claims or documents such as false receipts.
- (o) The grantee is required to ensure that activities undertaken in the funded project (including articles produced) shall comply with the relevant laws of the HKSAR (e.g. Places of Public Entertainment Ordinance Cap. 172, Copyright Ordinance Cap. 528, Trade Descriptions Ordinance Cap. 362 and Personal Data (Privacy) Ordinance Cap. 486 etc.). The grantee, including its Authorized Persons, Designated Officer-in-charge and/or any other persons involved, who fail to comply with any of the relevant laws shall be responsible for all the liabilities or legal actions arising therefrom.

Note : A receipt submitted for reimbursement purposes must bear the date of purchase and full description of the individual expenditure items. Otherwise, supporting documents such as invoices and billing statements showing the aforesaid details are to be submitted to supplement the receipt.

Record of Quotations for Project Financed by Community Involvement Fund

*Note: This form is to be completed by the designated person for purchase and endorsed by the authorised person of the grantee/Designated Officer-in-charge of the project before a purchasing order is made. **The grantee is NOT required to submit this form to the DO unless upon request.** If requested, the grantee is to submit this form according to the deadline set by the DO. Late submission or non-submission of this form despite the DO's request may hinder the reimbursement process and result in rejection of application for reimbursement.*

This form, together with all quotations and documents in relation to the procurement should be kept for five years for inspection by the Government as and when necessary.

The grantee, its co-organiser(s), members and staff are required to declare any interest when making procurement of goods and services for the approved project, and are prohibited from soliciting, accepting or offering advantages in the course of planning and executing the project. If there is a conflict of interest, the grantee should decide whether the co-organiser(s), member or staff concerned should abstain from the procurement exercise and record the reasons for its decision.

(a) Project Description _____

(b) Name of Grantee _____

(c) Designated Person for Purchase and Position _____

(d) Telephone No. _____

(e) Written quotations / confirmations on the bidding prices obtained

Itemised description of goods/services	Name of suppliers/ contractors invited	Written Quotations / Confirmations			Remarks
		Date Received	Price (\$)	Accepted or not (√) or (X)	
	1.				
	2.				
	3.				
	4.				
	5.				

All written quotations for the above-mentioned goods/services are per attached.

(f) Where written quotations are not available, the suppliers/contractors' confirmation on the bidding prices are attached with the following contact details:-

Name of Suppliers/Contractors	Address	Contact Person	
		Name	Tel. No.

(g) Reasons for non-compliance of the prescribed procurement rules set out in the Manual on the Use of CI Fund and repeated purchases of the same or similar items/services within a short period (Please put a “√” as appropriate) -

- Sole supplier/contractor in the market
- Designated supplier/contractor as specified by sponsor

(Please provide justification : _____)

- No response from other invited suppliers/contractors
- The only supplier/contractor who meets all the mandatory user specifications
- Proprietary items that cannot be purchased from other suppliers/contractors for compatibility (e.g. component parts for capitalised items) and/or contractual requirements
- Other (please specify) _____

- (h) I certify that the quotations obtained above are genuine and all written quotations or suppliers/contractors' confirmation on the bidding prices are attached. The price quoted and accepted for purchase is considered reasonable compared with the market price.
- (i) I have read and understood the contents of the Manual on the Use of CI Fund of *(name of district)* DO* and the terms and conditions of the grant and hereby agree to observe the provisions contained in the aforesaid documents.

(Signature)

(Name/Post) Date

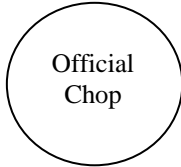
Designated Person for Purchase

Endorsed by :

(Signature)

(Name in block letters) Date

Authorised Person of the Grantee
Organisation / Designated Officer-in-charge
of the Project



The Designated Person for Purchase and the Authorised Person of the Grantee Organisation / Designated Officer-in-charge of the Project should not be the same person.

*The link to the Manual on the Use of CI Fund of *(name of district)* DO:-
[the link]

Purposes of Collection

1. The personal data provided by means of this form will be used by Home Affairs Department for the purposes of handling matters relating to the use of CI Fund as well as promoting community involvement activities and public participation in community affairs.

Classes of Transferees

2. The personal data provided by means of this form may be disclosed to other Government departments, bureaux and relevant persons and bodies for the purposes mentioned in paragraph 1 above.

Access to personal data

3. The responsible officer(s) of the organisation has/have a right of access and correction with respect to personal data as provided for under the Personal Data (Privacy) Ordinance (Cap. 486). The right of access includes the right to obtain a copy of the data subjects' personal data provided by this form.

Enquiries

4. Enquiries concerning the personal data collected by means of this form, including access to and correction of the personal data, should be addressed to -

(Designation of subject officer)

District Office

(Telephone No.)

**Detailed Payment Arrangements for Projects Implemented by
Non-government Organisations (NGOs) and District Offices (DOs) or
District Councils (DCs) or Committees / Working Groups (C/WGs) under
DOs/DCs/ in collaboration with NGOs**

1. Advance payment

- (a) To assist a grantee¹ in meeting the initial outlay of a project and cash flow requirements, the DO may, prior to the implementation of the project, recommend that a single advance payment of not exceeding **50% of the approved project fund** be made to the grantee upon written application. In receiving the advance payment, the authorised person of the grantee will be required to sign an undertaking at Appendix I.
- (b) DOs will monitor the progress of the project upon release of an advance payment and remind the grantee to clear the advance payment by submitting certified official receipts² to account for the expenditure incurred as early as practicable.
- (c) If, subsequent to the receipt of the advance payment, the project has not been held or was delayed beyond the scheduled implementation date, the grantee will be required to return the advance payment to the Government immediately unless it can provide acceptable explanations to the DO.

2. Partial Reimbursements

Irrespective of whether it has received an advance payment, a grantee may apply for up to **two partial reimbursements** of CI fund before the completion of the project. The aggregated amount of funds to be

¹ The term “grantee” in this document refers to the NGOs and DOs or DCs or C/WGs under DCs/DOs implementing joint projects with NGOs.

² A receipt submitted for reimbursement purposes must bear the date of purchase and full description of the individual expenditure items. Otherwise, supporting documents such as invoices and billing statements showing the aforesaid details are to be submitted to supplement the receipt.

given out for each project prior to its completion should not exceed **90% of the approved project fund**. In applying for reimbursement, the grantee should submit an up-to-date income and expenditure statement (see paragraph 4 below) together with supporting receipts² duly certified correct by the authorised person or designated officer-in-charge of the project for checking purposes.

3. Final or One-off Reimbursement

One-off reimbursement of grant, or the balance of grant where advance payment and partial reimbursements have been made, will be given to the grantee on completion of the project. To apply for final or one-off reimbursement, the grantee must submit an itemised income and expenditure statement (see paragraph 4 below) with all supporting receipts² and a project completion report to the DO for processing **within two months upon completion of the project**. The amount of advance payment, reimbursement(s) and expenditure incurred should be completely and accurately recorded in the income and expenditure statement. Reimbursement will be made when the income and expenditure statement and completion report (see paragraph 8.1 of the Manual) are accepted by the DO.

4. Income and Expenditure Statement

- (a) The format of the income and expenditure statement referred to in paragraphs 2 and 3 is at Appendix II. Unless specified otherwise in paragraphs 4 (b) and (c) below, a grantee is normally required to submit the original copy of the supporting receipts² for the expenses incurred together with the income and expenditure statement to the DO, except for Central Administrative Overheads³. For the avoidance of doubt, irrespective of whether the items are financed by CI fund, receipts are required for all items shown on the income and expenditure statement unless otherwise specified.

³ To claim Central Administrative Overheads (CAO) as stated in paragraph 5.1.4(b) of the Manual, an NGO is not required to provide supporting receipts. It only needs to fill in the amount to be claimed in the application form for reimbursement of CI fund (Appendix II) upon completion of the project and certify that the amount claimed has not been covered by government subvention. The DO staff will process the claim and release the payment of CAO when the final reimbursement is made.

- (b) Where the approved project fund exceeds \$600,000, the income and expenditure statement submitted by the grantee should be supported by a report of an agreed-upon procedures engagement⁴ conducted by a certified public accountant (practising) (CPA) or a corporate practice within the meaning of the Professional Accountants Ordinance (Chapter 50). As an alternative to providing supporting receipts² as required in paragraph 4 (a) above, the grantee could ask for the CPA report to include a statement that **all expenses incurred are within the ambit of CI fund and in compliance with the CI fund guidelines set out in the Manual and imposed by the DO**. Provided that the arrangement will not entail unreasonable costs to be met from CI fund, the DO may accept the submission of such a report and waive the requirement of providing supporting receipts².
- (c) For projects with an approved project fund of \$600,000 or less, a grantee is not compulsorily required to submit a CPA report. However, the grantee may choose to submit one containing a statement that **all expenses incurred are within the ambit of CI fund and in compliance with the CI fund guidelines set out in the Manual and imposed by the DO** instead of providing supporting receipts² as required in paragraph 4(a) above. DOs may consider each case having regard to the specific requirements of the project and paragraph 4(d) and decide whether to accept the CPA report as a valid supporting document for reimbursement purposes.
- (d) Where an auditor is engaged, the amount to be spent on audit fee should normally not exceed 2% of the approved project fund. The amount of audit fee should be clearly stated in the proposed budget for DO's consideration.

⁴ Under an engagement to perform agreed-upon procedures, the auditor is required to carry out procedures of an audit nature according to certain standards prescribed by the Hong Kong Institute of Certified Public Accountants. The auditor may be involved in performing certain procedures concerning individual items of financial data (e.g. accounts payable, accounts recoverable, purchases from related parties and sales and profits of a segment of an entity), a financial statement (e.g. a balance sheet) or even a complete set of financial statements.

- (e) A specimen of the CPA's report is at Appendix III (The specific procedures mentioned in items (1) –(3) of the first paragraph and the relevant report findings in items (a) – (c) of the second paragraph must be included in the CPA's report and should not be amended). All receipts² related to the expenditure of CI fund, if not submitted to the DO for reimbursement purposes, should be kept by the grantee properly for five years⁵ for inspection by the Government as and when necessary.

5. Projects with Cross-year Commitments

- (a) For projects with cross-year commitments, the advance payment and partial reimbursement(s) (see paragraphs 1 and 2 above) will be made yearly based on the amount of approved grant for each year of project implementation. In other words, a grantee may obtain a maximum of 90% of the approved project fund for each year of project implementation. The payment of the final 10% of the total approved grant will only be made after receipt of the income and expenditure statement and project completion report from the grantee.
- (b) To apply for advance payment in the second and subsequent years of project implementation, the grantee should note the following –
 - (i) it must submit a claim for reimbursement of expenses incurred in the preceding year together with an up-to-date income and expenditure statement and supporting receipts²; and
 - (ii) the exact amount of advance payment to be made each year will be determined by the DO concerned, having regard to the spending position of the grantee and the latest cash flow requirement in the second or subsequent year, if any.

⁵ NGOs not subjected to any requirements imposed by the relevant ordinances under which they are registered to keep financial, accounting and procurement records may return the records and documents concerned to the DO staff if they have practical difficulties in keeping such information or in the event of their disbandment before the end of the five-year retention period.

6. Bank Accounts for Payments of CI Fund

- (a) All payments of CI fund (including advance payment and reimbursement) should be credited to the bank account opened in the name of the grantee. Where practicable, grantees are advised to maintain a project ledger (sample at Appendix IV) recording receipts/payments and balance for each project to facilitate the preparation of the Income and Expenditure Statement. In addition, grantees should note the following in managing their bank account -
 - (i) unspent balance of the grant (save for petty cash) should be kept at all times in the bank account;
 - (ii) bank interest generated from the grant, if any, should be regarded as income of the project and should not be used for other purposes outside the project;
 - (iii) no bank surcharges or negative interest should be charged to the grant; and
 - (iv) the grantee should be required to keep the bank statements and other financial and accounting documents in relation to the project for five years⁵ for inspection by the Government as and when necessary.

- (b) In the event that C/WGs under DCs/DOs maintain a bank account, the bank signatories are advised to observe the following:
 - (i) there may be a maximum of five bank signatories, with two signatories being required for each cheque;
 - (ii) they need to be satisfied that the expenditure is properly incurred against the approved budget before a cheque is prepared to settle bills;

- (iii) they need to arrange to record the receipt of cheque books from the bank and the issue of cheques in a register;
- (iv) they need to handle spoiled cheques properly, e.g. endorse cancelled on the spoiled cheque and affix it to the counterfoil in the cheque book; and
- (v) in addition to maintaining the bank account as mentioned in paragraph 6(a), they need to keep a petty cash book and prepare monthly bank reconciliation statements for the bank account (sample petty cash book and reconciliation statement at Appendices V and VI respectively).

Purposes of Collection

1. The personal data provided by means of this form will be used by Home Affairs Department for the purposes of handling matters relating to the use of CI Fund as well as promoting community involvement activities and public participation in community affairs.

Classes of Transferees

2. The personal data provided by means of this form may be disclosed to other Government departments, bureaux and relevant persons and bodies for the purposes mentioned in paragraph 1 above.

Access to personal data

3. The responsible officer(s) of the organisation has/have a right of access and correction with respect to personal data as provided for under the Personal Data (Privacy) Ordinance (Cap. 486). The right of access includes the right to obtain a copy of the data subjects' personal data provided by this form.

Enquiries

4. Enquiries concerning the personal data collected by means of this form, including access to and correction of the personal data, should be addressed to –

(Designation of subject officer)

_____ District Office

(Telephone No.)

(Illustrative Example)

Appendix II

Income and Expenditure Statement

Application for Partial/Final Reimbursement of Community Involvement Fund (CI Fund)*

Part A : Basic information

Name of Grantee: ABC Committee

Project Name: 香港古蹟考察團

Project Number: 000001

Project Implementation/Commencement Date: 1.4.2011

Project End Date: 31.5.2011

Total Approved Project Fund: \$40,000

Approved Project Fund for Current Year¹: \$40,000

Total Amount of CI Fund already Received¹: \$22,500

Nature of Current Claim and Amount¹: Partial (1st/2nd*)/Final Reimbursement of Year 1/2/3/4*
\$17,000

Part B : Income and Expenditure Statement as at 31.05.2011
(dd/mm/yyyy)

(A)	Total Income ² (Details as per Attachment I)	\$5,000.00
(B)	Total Expenditure (Details as per Attachment II)	\$44,500.00
(C)	Total Amount to be met by CI Fund (\$)	(B)-(A) \$39,500.00
(D)	Amount of CI Fund already received (\$) ¹	
	Advance Payment	\$20,000.00
	1 st Partial Reimbursement	\$2,500.00
	2 nd Partial Reimbursement	\$0.00
	Total	\$22,500.00
(E)	Amount for application for reimbursement with supporting receipts* (\$) ¹	\$17,000.00
(F)	Amount for clearance of advance payment with supporting receipts* (\$) ¹	\$5,000.00
	Amount of advance payment already cleared ¹	\$15,000.00
(G)	Surplus amount to be returned to the Government (\$) ¹ (D) – (C)	Nil

1: Item not required to be completed for projects implemented by government departments or DO staff on behalf of the DO or DC or the Committees/Working Groups under DCs/District Offices (DOs).

2: For projects implemented by government departments or DO staff on behalf of the DO or DC or the Committees/Working Groups under DCs/DOs, the income generated from participants' fees, if any, should not be stated in this item as the income should be regarded as Government revenue and should not be ploughed back to finance the project.

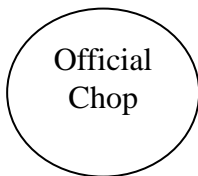
* Delete as appropriate

(Illustrative Example)

Part C : Certification by Government Officer/Authorised Person of Grantee*

I certify that :

- (1) the information provided above is correct and other sources of income including sponsorship and donation stated in Part B are complete without any omission;
- (2) the goods purchased have been received in good order and all the services detailed were considered reasonable and necessary to the project, and all expenditures are in compliance with the Manual on the Use of CI Fund and the terms and conditions imposed by the District Office;
- (3) the prices quoted and accepted for purchases of goods and services in the project are considered reasonable compared with the market prices;
- (4) the expenditure listed in Part B is solely incurred for the use of the above mentioned project; and
- (5) the amount of Central Administrative Overheads claimed has not been covered by government subvention.*



Signature: _____
Name : _____
Post : _____
Name of Government/
Department/Grantee* : _____
Date : _____

* Delete as appropriate

For official use only

The above has been checked and found to be in compliance with the Manual on the Use of CI Fund and the terms and conditions imposed by the DO.

Signature : _____
Name : _____
Designation^ : _____
Date : _____

I am satisfied that the information provided above are in compliance with the Manual on the Use of CI Fund and the terms and conditions imposed by the DO.

Signature : _____
Name : _____
(ADO/SEO(DC))
Date : _____

^ Rank of the officer should be EOII or above or equivalent

(Illustrative Example)

Details of Income Items

	Item	Number/ Quantity	Unit Rate (\$)	Total Income (\$)	Original estimated amount of income (\$)
1.	Participants' fees	100	10	1,000	1,000
2.	Sponsor from Mr. LEE Man	1	4,000	4,000	3,500
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
11.					
12.					
13.					
14.					
15.					
			Total:	5,000	4,500
				(As per Appendix II)	

(Illustrative Example)

- 5 -

Purposes of Collection

1. The personal data provided by means of this form will be used by Home Affairs Department for the purposes of handling matters relating to the use of CI Fund as well as promoting community involvement activities and public participation in community affairs.

Classes of Transferees

2. The personal data provided by means of this form may be disclosed to other Government departments, bureaux and relevant persons and bodies for the purposes mentioned in paragraph 1 above.

Access to personal data

3. The responsible officer(s) of the organisation has/have a right of access and correction with respect to personal data as provided for under the Personal Data (Privacy) Ordinance (Cap. 486). The right of access includes the right to obtain a copy of the data subjects' personal data provided by this form.

Enquiries

4. Enquiries concerning the personal data collected by means of this form, including access to and correction of the personal data, should be addressed to -

(Designation of subject officer)

District Office

(Telephone No.)

SPECIMEN

**Report of an Agreed-Up on Procedures Engagement Conducted by
a Certified Public Accountant (Practising) or a Corporate Practice within
the Meaning of the Professional Accountants Ordinance (Chapter 50)**

REPORT OF FACTUAL FINDINGS

To *(those who engaged the auditor)*

We have performed the procedures agreed with you and enumerated below with respect to the Income and Expenditure Statement for the community involvement project [*Name of project*] which was completed on [*Date of completion of project*], set forth in the Details of Income / Expenditure Items. Our engagement was conducted in accordance with Hong Kong Standard on Related Services 4400, “Engagements to Perform Agreed-Up on Procedures Regarding Financial Information” issued by the Hong Kong Institute of Certified Public Accountants (HKICPA). The procedures were performed solely to assist you in satisfying the requirement to report the income and expenditure of the community involvement project [*Name of project*] as per the conditions stated in the letter reference [] dated [], issued by the Home Affairs Department of the Government of the Hong Kong Special Administrative Region (HAD). Details of the specific procedures we performed are summarized as follows:

1. We checked the additions of the Income and Expenditure Statement, and compared the items with the balances in the books and records prepared by [*Name of Grantee*] as at [*date*].
2. We obtained and checked the calculations of the Details of Income / Expenditure items and compared the balances to the supporting documents.
3. (i) We checked the expenses incurred in the project with regard to the Community Involvement (CI) fund guidelines set out in the Manual on the Use of CI Fund (the Manual) and imposed by the DO. **Or** ^(Note)
(ii) We compared the expenditure items to the list of permissible items of expenditure to be met by CI fund issued by HAD.

We report our findings below:

- (a) With respect to item 1, we found the Income and Expenditure Statement is in agreement with the books and records made available to us.
- (b) With respect to item 2, we found the amounts of income and expenditure items accord with the supporting documents.

SPECIMEN

- 2 -

- (c) (i) With respect to item 3, we found the expenditure items are in compliance with the CI fund guidelines set out in the Manual and imposed by the DO.
Or ^(Note)
- (ii) With respect to item 3, we found the expenditure items are all permissible items of expenditure.

Because the above procedures do not constitute an assurance engagement made in accordance with Hong Kong Standards of Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements, we do not express any assurance on the findings we report on.

Had we performed additional procedures or had we performed an assurance engagement of the financial statements in accordance with Hong Kong Standards of Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA, other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties, except that a copy of this report may be made available to the Government of the Hong Kong Special Administrative Region. This report relates only to the Income and Expenditure Statement and the Details of Income / Expenditure items specified above and does not extend to any other financial statements of *(those who engaged the auditor)*, taken as a whole.

XYZ & Co.
Certified Public Accountants (Practising)
Hong Kong

Date

Note: Grantees must select version (i) in case they choose not to submit receipts in support of their income and expenditure statements.

SAMPLE

Appendix IV

Project Ledger for Project Financed by the CI Fund

Name of Grantee: ABC Committee
Project No.: 000001
Project Title: 香港古蹟考察團
Approved Project Fund: \$40,000.00

Bank Account

Bank Name: _____

Bank Account Name: _____

Bank Account No.: _____

Date	Particulars	Cheque No.	Receipt (\$)	Payment (\$)	Balance (\$)
2.4.2011	CI Fund (Adv. Payment)	245678	20,000.00		20,000.00
3.4.2011	Participation Fee	234111	1,000.00		21,000.00
7.4.2011	Sponsor from Mr LEE Man	411111	4,000.00		25,000.00
8.4.2011	Petty Cash	123455		1,000.00	24,000.00
8.4.2011	ABC Printing Co.	123456		2,000.00	22,000.00
13.4.2011	OT Payment for Mr CHAN Tai-man	123457		300.00	21,700.00
14.4.2011	E.F.D. Stationery Co.	123458		200.00	21,500.00
29.4.2011	CI Fund (Partial Reimbursement)	245690	2,500.00		24,000.00
			<u>27,500.00</u>	<u>3,500.00</u>	

I certify that the above is correct.

Signature: _____

Signature: _____

Prepared by: _____

Certified correct by: _____

(Name in block letter)

(Name in block letter)

Position: _____

Position: _____

(Bank Signatory)

Date: _____

Date: _____

SAMPLE

Appendix V

Petty Cash Book for Project Financed by CI Fund

Name of Grantee: ABC Committee
Project No.: 000001
Project Title: 香港古蹟考察團
Approved Project Fund: \$40,000.00

Petty Cash Book

Date	Particulars	Voucher no.	Receipt (\$)	Payment (\$)	Balance (\$)
8.4.2011	Bank (Cheque No. 123455)	A000001	1,000.00		1,000.00
9.4.2011	Stationery	A000002		30.00	970.00
10.4.2011	Printing	A000003		2.00	968.00
11.4.2011	Postage	A000004		14.00	954.00
15.4.2011	Travelling Expenses for Ms LI Siu-ling	A000005		20.00	934.00
			<u>1,000.00</u>	<u>66.00</u>	

The balance \$934 of Petty Cash Book agreed with the amount of petty cash in hand as at 30 April 2011.

I certify that the above is correct.

Signature: _____

Signature: _____

Prepared by: _____

Certified correct by: _____

(Name in block letter)

(Name in block letter)

Position: _____

Position: _____

(Bank Signatory)

Date: _____

Date: _____

SAMPLE

Appendix VI

Bank Reconciliation Statement for Project Financed by CI Fund
As At 30 April 2011

Bank Name: _____

Bank Account Name: _____

Bank Account No.: _____

			\$	\$
Balance as per Bank Account				24,000.00
Add:	Unpresented Cheques			
	ABC Printing Co.	123456	2,000.00	
	E.F.D. Stationery Co.	123458	200.00	2,200.00
				<u>26,200.00</u>
Add:	Interest Received			<u>2.00</u>
Balance as per Bank Statement as at 30.4.2011				<u><u>26,202.00</u></u>

I certify that the above is correct.

Signature: _____

Signature: _____

Prepared by: _____

Certified correct by: _____

(Name in block letter)

(Name in block letter)

Position: _____

Position: _____

(Bank Signatory)

Date: _____

Date: _____

Final Report for Project Financed by CI Fund

- (1) Name of Organisation : _____
- (2) Name of Project : _____
- (3) Project No. : _____
- (4) Date/Period of Implementation and Time : _____
- (5) Venue : _____
- (6) Financial Summary
- (a) Total Income ¹ : _____
- (b) Total Expenditure : _____
- (c) Amount of CI Fund obtained : _____
- (b) – (a)

(7) Number of programmes/activities already conducted

Dates of programmes/activities conducted		Number of participants	
Original proposed date	Actual date	Target	Actual

1: For projects implemented by government departments or DO staff on behalf of the District Offices or DC or the Committees/Working Groups under DCs or DOs, the income generated from participants' fees, if any, should not be stated against this item as the income should be regarded as Government revenue and should not be ploughed back to finance the project.

(8) Evaluation of project

(i) General response of participants

(ii) Benefits/achievement of the project

(9) Report completed by-

Official Chop

Signature of Authorised Person : _____

Name : _____

Post : _____

Date : _____

For Official Use

The report was –

examined and considered in order.

—

DO's Comments : _____

Follow-up Action : _____

Signature of Responsible Officer: _____ Name: _____

Designation: _____ Date: _____

Progress Report for Project Financed by CI Fund

(To be completed by Non-government Organisations for projects lasting for more than one year)

- (1) Name of Organisation : _____
 (2) Name of Project : _____
 (3) Project No. : _____
 (4) Date/Period of Implementation and Time : _____
 (5) Venue : _____
 (6) Up-to-date (as at _____) financial summary of the project:

(i) Income for the whole project

Item	Nature	Existing estimated /approved amount ¹ (\$)	Actual amount received as at today (\$)
(a)	Participants' fees	_____	_____
(b)	Internal resources	_____	_____
(c)	Sponsorship and donation	_____	_____
(d)	Other sources of income (please specify): _____ _____	_____ _____	_____ _____
	Sub-total (I)	=====	=====
(e)	Community Involvement (CI) fund Sub-total (II)	=====	=====
	Total (I)+(II)	=====	=====

(ii) Expenditure

Item	Nature	Existing Approved amount (\$)	Actual amount expended (\$)
(a)	Total project expenses ² for the whole project	_____	_____
(b)	Project expenses ² for current year	_____	_____

1: For items other than CI fund, please fill in the estimated amount. For CI fund, please fill in the existing approved amount.

2: Project expenses refer to the amounts to be met from CI fund.

(7) (a) Number of programmes / activities already conducted

Dates of programmes/activities conducted		Number of participants	
Original proposed date	Actual date	Target	Actual

(b) Number of programmes / activities to be conducted

Proposed date of programmes / activities to be conducted	Target number of participants

(8) Proposed changes to the approved project plan

Nature	Details of proposed change
(a)	
(b)	
(c)	
(d)	
(e)	

(9) Report completed by-

Official Chop

Signature of Authorised Person : _____

Name : _____

Post : _____

Date : _____

For Official Use

The report was –

examined and considered in order.

DO's Comments : _____

Follow-up Action : _____

Signature of Responsible Officer: _____ Name: _____

Designation: _____ Date: _____

Evaluation Report for Project Financed by Community Involvement (CI) Fund

Part A: Background Information of the Project

(To be completed by the DO staff and passed to the staff of Home Affairs Department (HAD) before conducting the visit)

Project Name:

Project No.:

Date/Period of Implementation:

Venue:

Name of Grantee:

Co-organiser(s):

Approved Project Fund:

Anticipated No. of Participants:

Any Special Conditions imposed by DO:

Part C: Compliance Check against the Terms and Conditions of Grants of CI Fund

(To be completed by the subject officer of DO staff at the rank of Executive Officer II or above upon verification of the project completion report and Income and Expenditure Statement)

		Comply	Not Comply	Not Applicable
1.	Funding approved by DO prior to expenditure incurred	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	Project cost within approved ceiling or revised ceiling as may be approved	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.	Appropriate mode of implementation adopted	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.	Funds expended within the ambit of CI fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.	Change in nature of project / cashflow requirement approved prior to implementation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.	Approval obtained for inclusion of items of expenditure not covered in the original approval / other additional expenditure exceeding 5% contingency fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.	Verifiable project proof submitted	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.	Name of HAD stated in publicity items	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9.	Mandatory requirements fulfilled in the employment of casual/non-skilled workers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10.	At least one reimbursement made before release of further advance payment/reimbursement in the subsequent year(s) of cross-year project implementation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11.	The project should not give undue credit or publicity to an individual, a commercial firm, a political party or association	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12.	The project should not be intended for the exclusive or personal benefit of an individual	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

		Comply	Not Comply	Not Applicable
13.	The project should not involve the disbursement of cash relief	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14.	The project should not be launched primarily for profit-making or fund-raising purposes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15.	Others [DO staff may add more items]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Completed By:

Signature: _____
(Name and Post of officer)

Date

To : _____ District Officer

Declaration of Interest for Project Financed by Community Involvement Fund

I, _____, have the following interest to declare
in connection with _____ to be held on _____ -
(Name of Project) (Date)

(a) I am associated with _____ which
made a tender/quotation submission for the implementation of the project.
(Please elaborate) _____¹

(b) I am associated with the organisation applying for Community Involvement (CI)
fund in the capacity as _____
²

(c) Other declarable interests³

Signature : _____

Name : _____

Date : _____

Telephone No. : _____

-
1. The declarant should provide details, e.g. he/she is the owner of the bidding firm or has nominated a tenderer or bidder for selection.
 2. A declaration should be made if, for example, the person is on the executive committee or an ordinary member of the organisation which applies for CI fund and the relationship should be clearly described in the declaration form.
 3. The DO may specify other interests to be declared.

Purposes of Collection

1. The personal data provided by means of this form will be used by Home Affairs Department for the purposes of handling matters relating to the use of CI fund as well as promoting community involvement activities and public participation in community affairs.

Classes of Transferees

2. The personal data provided by means of this form may be disclosed to other Government departments, bureaux and relevant persons and bodies for the purposes mentioned in paragraph 1 above.

Access to personal data

3. The responsible officer(s) of the organisation has/have a right of access and correction with respect to personal data as provided for under the Personal Data (Privacy) Ordinance (Cap. 486). The right of access includes the right to obtain a copy of the data subjects' personal data provided by this form.

Enquiries

4. Enquiries concerning the personal data collected by means of this form, including access to and correction of the personal data, should be addressed to -

(Designation of subject officer)

District Office

(Telephone No.)

