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LABOUR AND WELFARE BUREAU

Community Investment and Inclusion Fund Secretariat
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Community Investment and Inclusion Fund (CIIF) Notes to Grantees

All Grantees shall sign the CIIF Conditions of Grant (CoG) before their projects commence. Once the CoG was signed, Grantees shall be held responsible for implementing the project under the requirements of the CoG throughout its validity period. The Notes to Grantees highlights all matters that require special attention from the commencement to the completion of projects, which serves as a reminder of rather than a substitute for the CoG. Grantees shall go through each clause of the CoG to ensure the effective implementation of projects and the optimum use of public fund. CIIF Project Coordinators may reproduce the Notes and distribute them to project staff for information on a need basis.

1 Matters Requiring Attention Before Projects Commence

1.1 Appointment of Project Coordinator¹

Project Coordinator who is responsible for the overall management and supervision of fund usage shall not be replaced unless prior written approval has been obtained from the CIIF Secretariat (the Secretariat). In case of replacement, the successor shall not be inferior to his predecessor in terms of experience, knowledge, skills and authority.

1.2 Recruitment of Project Staff

1.2.1 As provided by the CoG, The Grantee shall ensure that the recruitment of staff shall be processed on a fair and impartial basis. Proper publicity methods of open recruitment (e.g. recruitment advertisements to newspapers or the Labour Department) should be adopted to widely disseminate the message to eligible persons. Throughout the recruitment and selection processes, a declaration of interests system with written guidelines shall be put in place to avoid any conflict of interests.

1.2.2 The Grantee shall put in place a selection mechanism and file all recruitment and selection records for inspection by the Government of the Hong Kong Special Administrative Region ("Government") whenever necessary.

1.2.3 Expenditure of procuring advertisement for staff recruitment for the project, for the Sexual Conviction Record Check and pre-employment body check-up prior to the Commencement Date may be covered by the Grant, provided that such costs are included in the Approved Budget.

1.2.4 Staff employed with the funded project shall only work for the project during the

¹ Unless prior approval obtained from CIIF Secretariat, the name of the Project Coordinator should be the same as stated the Condition of Grants.

designated working hour(s). If the employees are not full-time project staff, their working hours and ratios of salaries paid by the funded project shall be set out. Employees shall meet the requirements of qualifications and experience listed in the Approved Proposal. The employment terms and conditions shall not be better than those for comparable jobs in the civil service. The Grantee shall submit “Manpower of Funded Project” form, to the Secretariat as soon as possible after the recruitment exercise (for details, refer to the CoG and the “Corruption Prevention Best Practices” developed by the ICAC).

1.2.5 Any proposed change of the Project Coordinator initiated by the Grantee must be subject to the prior written approval of the Secretariat. Should there be changes of project staff, the Grantee shall employ a substitute in accordance with the CoG, and submit the “Manpower of Funded Project” form to the Secretariat as soon as practicable.

1.3 Designated Bank Account for the Project

The Grantee shall maintain a designated bank account in HK dollars for the project to enable proper audit trail of the public fund. A copy of the bank account information including account payee names and signing instructions shall be provided to the Secretariat.

1.4 Insurance Coverage

The Grantee shall take out a proper insurance policy for the project and **submit a copy of the insurance policy to the Secretariat at least two working days before the project commences**. The Grantee shall ensure the validity of the insurance policy throughout the project period and submit a copy of the renewed insurance policy to the Secretariat upon renewal.

1.5 Publicity of Projects

1.5.1 All CIIF-related publicity materials (including project leaflets, pamphlets, souvenirs, uniforms, webpages, etc.) shall show the CIIF logo, indicate that the projects/activities are funded by the CIIF and duly display the CIIF Brief.

1.5.2 All publicity information / publications related to CIIF-funded projects shall be submitted to the Secretariat for review and confirmation before they can be published or used. Please refer to the “Guidelines for Producing Publicity Materials” (Document available for download at the CIIF website) for details.

2 **Matters Requiring Attention During Project Implementation**

2.1 Optimum Use of Fund

2.1.1 The Grantee shall make optimum use of the fund in accordance with the approved items specified in the Approved Budget per the CoG. Except expenditure of procuring advertisement for staff recruitment of the Project, for the Sexual Conviction Record Check and pre-employment body check-up, **all the expenditure incurred before the effective date of the CoG and after the expiry or termination of the CoG shall not be subsidized**.

2.1.2 CIIF will release the grant by instalments and in different percentage of the total approved grant in accordance with different project period as per below summary –

| Payment Schedule – Month(s) after Project Commencement | Project Period and Percentage of Disbursement | | |
|---|--|-----------------|-------------------|
| | One Year | Two Year | Three Year |
| 1 st month | 50% | 30% | 20% |
| 8 th month | 30% | 20% | 15% |
| 14 th month | - | 30% | 15% |
| 15 th month | 20%* | - | - |
| 20 th month | - | - | 15% |
| 26 th month | - | - | 15% |
| 27 th month | - | 20%* | - |
| 39 th month | - | - | 20%* |
| Total | 100% | 100% | 100% |

*(1) Grantee has to submit Final Audited Report and Project Completion Performance and Evaluation Report within three months after project completion. Subject to the evaluation of the overall project performance, the final payment will be released based on the actual remaining balance.

(2) The Grantee has to submit relevant reports and financial forms on time.

2.1.3 The Government has the right to suspend any grants under the following circumstances: (a) the Grantee fails to submit relevant reports and audited reports on time; or (b) the Grantee declares and/or submits to the Government any data, facts or information on the project and/or Approved Budget which are incomplete, incorrect, untrue or intended to mislead the Government.

2.1.4 Where there is reason to believe that any term, condition or undertaking contained in the CoG has been breached, the Government has the right to require the immediate return of all or any grants with interests from the Grantee.

2.1.5 If it is found that the total expenditure of the project does not reach 70% of the original threshold and/or the performance targets set in the Approved Proposal, the Government reserves the right not to pay the remaining balance.

2.1.6 Any unspent amount of the grant and any operating surplus over the recognised total expenditure of the project must be returned to the Government.

2.1.7 The Government and the CIIF accept no liabilities for deficits arising from the project. The Grantee will be solely responsible for any deficits arising from implementing the approved project. In addition, the Grantee will be solely responsible for any shortfall necessary in implementing and completing the project.

2.1.8 Any changes to the content, including consequential changes to financial arrangements, of the project should be approved by the CIIF Secretariat in advance. If any changes are made without the prior approval of the CIIF Secretariat, the Government reserves the right to withdraw the grant.

2.1.9 The Grantee should keep and when necessary submit the following required documents:

- (i) The Grantee should keep all original receipts, invoices and relevant supporting documents. CIIF Secretariat will inspect, check or make copies if deemed necessary;
- (ii) The Grantee should keep the monthly statement/passbook of the bank account designated for the CIIF-funded project, and the monthly statement which effectively shows all transactions relating to the operation of the project shall be verified by the Project Coordinator who shall sign and affix the seal of the Grantee on it;
- (iii) The Grantee should submit the following documents to the Secretariat every half year:
 - Project Income and Expenditure Report;
 - Project Staff Salary Form together with supporting documents, including copies of payroll slips and Mandatory Provident Fund contribution records, which shall be signed and verified by the Project Coordinator with the acknowledgement of receipt by the payees;
 - Bank Interest Income Form;
 - Fixed Asset Register; and
 - Manpower Registry Form of Funded Project (if any change in manpower).
- (v) If there are additional incomes such as programme fees, donations or sponsorships received which are not specified in the Approved Budget, The Grantee shall record all the incomes in the account and keep the relevant incomes information for the Secretariat. Before receiving donations or sponsorships not specified in the Approved Budget, The Grantee shall obtain prior written approval or acknowledgment of the Secretariat.

2.1.10 In assessing the expenditure incurred, the Secretariat will consider the following factors:

- (i) The activities are effectively designed to provide participants with a platform for building up social support networks and developing continuous relationships in line with the anticipated objectives and strategies of the approved project in achieving long-term social capital outcomes;
- (ii) The expenditures incurred have not exceeded the Approved Budget; and
- (iii) The program activities are cost-effective.

2.1.11 Banquet, leisure and entertaining activities are usually not supported, except for project adopting an intervention approach of “food culture” in which the strategy, content and budget of the activities have been set out in the Approved Proposal; otherwise prior written approval of the Secretariat shall be obtained.

2.1.12 For organising mass program such as funfair and community promotion day, the Grantee shall consider the effectiveness of such activities in building social capital, and avoid luxurious spending on venue rental, backdrop or souvenirs, etc. **For any mass programme incurring an expenditure of more than HKD\$50,000 not detailed in the Approved Proposal, application for approval from the Secretariat is required at least one month in advance by submitting the proposed budget and detailed breakdown.**

2.1.13 The Grantee shall pay special attention to the following for volunteer allowance :

- (i) A volunteer who is merely a participant of an activity without any specific role or identity will not be eligible for volunteer allowance.
- (ii) A volunteer with specific role or identity in an activity (e.g. taking part or assisting in preparation or organisation of the activity, or being an instructor or

docent in the activity) will be eligible for volunteer allowance.

- (iii) The Grantee shall keep the name list of volunteers and summary of event (including details of individual volunteers' roles as well as the date and time of participation) for the Secretariat's inspection, checking and copy making.

2.1.14 The Secretariat will arrange on-site financial inspection(s) in accordance with different project period.

2.2 Procurement and Asset Management

2.2.1 Services and goods shall be procured in an open, fair and value for money manner. The Grantee shall follow the Secretariat's requirements to carry out procurement procedures and accept the lowest offer to specification, unless prior approval has been obtained from the Secretariat. Details of the procurement requirements are listed in **Appendix**. The Grantee shall properly keep all quotations and tendering documents for the project period. The Secretariat will request such information for copy making and inspection.

2.2.2 The Grantee shall make procurement in accordance with the List of Furniture and Equipment² of the CoG. **The Grantee shall record each item of Furniture and Equipment in the "Fixed Asset Register", which shall be submitted to the Secretariat every half year.** The Grantee shall appoint an asset manager to manage project assets. The Secretariat will deploy staff to conduct inspection whenever necessary.

2.2.3 If the Furniture and Equipment incurs any loss, damage or theft (except fair wear and tear), the Grantee shall immediately notify the Secretariat in writing.

2.2.4 The Grantee shall display a conspicuous notice in either Chinese or English which shall indicate that the Furniture and Equipment is owned by the Government.

2.3 Reallocation of Approved Funds

2.3.1 The Grantee shall apply in writing to the Secretariat for reallocation of funds exceeding 15% of the originally approved budget item by submitting sufficient justifications and the "Budget Virement" form.

2.3.2 The Grantee may at its discretion reallocate any amount of the Grant to meet the expenditure of one approved item of the Approved Budget to another approved item as specified in the Approved Budget from time to time (a "Reallocation") PROVIDED that (a) no Reallocation from one item to another item shall exceed 15% in total of the amount originally approved for the first-mentioned item; and (b) the Reallocation shall not adversely affect the quantity and quality of the programmes and activities; and (c) the Grantee shall inform the Secretariat in writing of such Reallocation as soon as reasonably practicable.

2.3.3 Regardless of the amount, the Grantee is not permitted to effect a Reallocation from any staff cost or other salary items as specified in the Approved Budget to a non-salary item or vice versa. Any request for Reallocation affecting salary items must be submitted to the

² According to the definition in the CoG, Furniture and Equipment means all assets, furniture, equipment, instruments or machinery listed in the approved project proposal to be used in the project period, which have been approved by the Government.

Secretariat for approval at least seven working days in advance. The Secretariat may at its sole discretion determine whether or not to grant approval. The Grantee must ensure that such Reallocation shall not result in that the Project Team members being less qualified in terms of experience and qualification than the requirements as stated in the Approved Proposal or that the employment terms and conditions shall be better than those for comparable jobs in the civil service.

2.4 Timely Submission of Progress Performance and Evaluation Report

- 2.4.1 The Grantee shall submit Progress Performance and Evaluation Report within 20 calendar days after the project has been implemented for every six months; or any other reporting interval as required by the Secretariat.
- 2.4.2 The Grantee are required to brief the Secretariat and/or its Sub-committee on the progress of the project. Project visits will be arranged by the Secretariat and/or its Sub-committee where necessary.

2.5 Audited Reports

- 2.5.1 Under the CoG, for all projects, the Grantee shall submit **Annual Audited Report within two months after the project has been implemented for one full year. The Grantee shall submit Annual Audited Report on time.** Otherwise, the Secretariat will consider suspending fund releasing. The Grantee shall either opt for conducting an independent audit for the project, or including the project in its annual audit exercise, provided that the Grantee **shall submit the opinion of independent auditor on the project.** If Grantees who opt for the latter case fail to submit the independent opinion of auditors on the project, they shall have to conduct independent audits for the projects.
- 2.5.2 The CIIF will subsidise the independent audit fees. The Grantee shall follow the procurement procedures stated in the CoG and submit the “Reimbursement Claim Form for Annual/Final Audit Fee” to the Secretariat. The audit fee will be reimbursed in accordance with the amount of the approved grant:

| Funding Grant | Ceiling for Audit Fee (Annual) |
|--|---------------------------------------|
| \$1,000,000 or below | \$8,000 |
| More than \$1,000,000 and Less than or equal to \$5,000,000 | \$10,000 |
| More than \$5,000,000 | \$20,000 |

- 2.5.3 The Grantee shall provide a copy of the “Notes to Auditors” issued by the Secretariat to the audit firm for reference before the audit exercise starts. (Document available for download at the CIIF website.)

3 Matters Requiring Attention Upon Expiry of Project Period

3.1 Submission of Project Completion Performance and Evaluation Report and Final Audited Reports

The Grantee shall submit the Project Completion Performance and Evaluation Report (template available for download at the CIIF website) **and the Final Audited Reports within three months after the end of the project.** Subject to the acceptance of the reports by the Secretariat, the final actual remaining balance shall be granted.

3.2 Report on Operation of Fixed Asset

The ownership of the Furniture and Equipment procured with the project fund belongs to the Government. If the social capital developed in the project is to be sustained for at least two years upon project expiry, the Grantee may apply to the Government for keeping the asset purchased with the project fund for the purpose of continuous development. The Grantee shall submit the completed “Fixed Asset Register” together with the last Progress Performance and Evaluation Report to the Secretariat for approval.

4 **Support Provided By the Secretariat**

A designated Project Officer will be assigned to each approved project for providing support in developing social capital throughout the project period. In addition, member(s) of the CIIF Committee, SC.Net member(s) and the Secretariat will conduct at least one project visit during the funding period to share experiences, leverage resources and networks with the Grantee in order to support the project implementation and also to build social capital together in Hong Kong.

Most of the forms/guidelines are available for download at the CIIF website (www.ciif.gov.hk). For enquiries, please feel free to contact subject Project Officers.

Community Investment and Inclusion Fund Secretariat
April 2019

Procurement Requirements

If the approved project involves procurement of Furniture and Equipment, works and other services, the Grantee is required to follow the requirements given below:

| Value of single procurement / contract | Quotation / tender requirement |
|--|--|
| (a) Not exceeding \$5,000 | Not required. |
| (b) Exceeding \$5,000 and not exceeding \$20,000 | Grantee should obtain at least two quotations. (Verbal quotations should be documented.) |
| (c) Exceeding \$20,000 and not exceeding \$50,000 | Grantee should obtain at least two written quotations. |
| (d) (i) For works projects exceeding \$50,000 and not exceeding \$1,000,000 (ii) For services exceeding \$50,000 and not exceeding \$500,000 (iii) For stores exceeding \$50,000 and not exceeding \$200,000 | Grantee should obtain at least five written quotations. |
| (e) (i) For works projects exceeding \$1,000,000 (ii) For services exceeding \$500,000 (iii) For stores exceeding \$200,000 | Grantee must conduct tendering with tender documents containing all requirements and specifications. |