

B. Application for Government Subsidy

I wish to apply for the following Government Subsidy : (Please tick as appropriate).

- a) A subsidy equivalent to 5% of the total approved fee income
- b) Reimbursement of rent of \$ _____
per annum .
- c) Reimbursement of rates of \$ _____
per annum.
- d) Reimbursement of government rent of \$ _____
per annum.

C. I/We certify that this application together with the attached schedules as listed below have been prepared following the guidelines at Annex III.

Schedule 1 - Income Estimates

Schedule 2 - Expenditure Estimates

Schedule 3 - Staff List (excluding integrated programme staff)

Authorized Signatory

Name :

Title :

Date :

Official Chop :

Annex II

Documents to be submitted together with the Fee Application (Annex I)

- (1) Income Estimates (Schedule 1), Expenditure Estimates (Schedule 2) and Staff List (Schedule 3).
- (2) Supporting documentation for material items of expenditure included in the Expenditure Estimates at Schedule 2.

INCOME ESTIMATES

 (Name of Aided Day Creche/Nursery)

	Estimates for the period from to 31.8.2005 (Note 1)	Remarks (Please state computations and assumptions)
	\$	
Average enrolment per month		
Fee per child per month		
I. Fee Income (Note 2)		
II. 5% subsidy from Government		
III. Reimbursement of rent and/or rates (Note 3)		
IV. Other Income (please specify)		
TOTAL INCOME (I + II + III + IV)		
TOTAL EXPENDITURE (as per Schedule 2)		
Surplus/(Deficit)		

Note :

1. Please fill in the date of commencement of operation and the ending date of the period.
2. Fee income = Expected average enrolment per month x proposed fee per child per month x no. of months.
3. Please state the amount applied for.
4. Please state N/A if the item is not applicable.

EXPENDITURE ESTIMATES

(Name of Aided Day Creche/Nursery)

	Estimates for the period from to 31.8.2005 (Note 1)	Remarks (Please state computations and assumptions)
I. Personal Emoluments	\$	
(a) Staff Salaries (excluding Integrated Programme Staff)		Schedule 3
(b) Provident Fund (excluding Integrated Programme Staff)		Schedule 3
(c) Relief Staff		
(d) Others (please specify)		
Total Personal Emoluments		
II. Other Charges		
(a) Administrative Expenses		
Postage		
Telephone		
Cleaning Charges		
Auditor's Fee (Excluding for Provident Fund Scheme)		
Others (please specify)		
Sub-total		
(b) Utilities		
Electricity (excluding for air-conditioners)		
Electricity for air-conditioners		
Gas and Fuel		
Water & Sewage		
Sub-total		

	Estimates for the period from to 31.8.2005 (Note 1)	Remarks (Please state computations and assumptions)
(c) Stores & Equipment	\$	
Cleaning Materials		
Printing & Stationery		
Newspaper & Periodicals		
Minor Purchases, Maintenance & Repairs		
Others (please specify)		
Sub-total		
(d) Food for Children		
(e) Programme Expenses		
Teaching Materials & Toys		
Activities Expenses		
Others		
Sub-total		
(f) Transport & Travelling		
Travelling Expenses (by public vehicles)		
Others (please specify)		
Sub-total		
(g) Insurance		
(i) Employees' Compensation		
(ii) Insurance for Children		
(iii) Public Liability Insurance		
(iv) Others (please specify)		
Sub-total		

STAFF LIST (excluding Integrated Programme Staff)

(Name of Aided Day Creche/Nursery)

Serial No.	Name in full	HKID Card No.	Post	Salary Point	Date of Appointment to present Agency	Date of Appointment to present Post	Incremental Date	Date of Joining P.F.	Estimated Monthly Salary for the period from to 31.8.2005												Total Estimated Salaries for the period from to 31.8.2005 (Note 1)	Estimated Provident Fund Contribution by Centre from to 31.8.2005						
									Sept 2004	Oct	Nov	Dec	Jan 2005	Feb	Mar	Apr	May	Jun	Jul	Aug		\$	%					
									\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%
Total as per Schedule 2							Monthly Total																					

Note : 1. Please fill in the date of commencement of operation and the ending date of the period.

1. **Guidelines for preparing Income & Expenditure Estimates for aided day creches/nurseries**

In the preparation of the Income & Expenditure Estimates (Schedules 1 and 2), aided day creches/nurseries operating under the Child Care Centres Fee Assistance Scheme should refer to the 'Rules for Aided Day Creches/Nurseries' and comply with the corresponding requirements for the submission of annual financial statements and interim reports of income and expenditure, as stated in the 'Guide to Social Welfare Subventions'.

The funds obtained from the Government including fee assistance, subventions for rent and rates, integrated programme and 5% subsidy should only be used to finance the service under the Scheme i.e. to cover the necessary expenses incurred in providing the creche/nursery service in accordance with the requirements of the Child Care Services Ordinance and Regulations.

It is necessary for aided day creches/nurseries to identify separately the income and expenditure (and therefore the surplus or deficit) which are recognised for the purposes of subvention and the operation of aided day creches/nurseries under the Scheme. In this regard, only the recognised income and expenditure as specified in the 'Rules for Aided Day Creches/Nurseries' should be included in the Income & Expenditure Estimates of the fee application.

Please be reminded that **any expenses incurred but not recognised for fee assessment purposes are deemed to be borne out of your agency's own resources**, as a result of which the inclusive monthly fee approved by this Department may not be the same as that proposed.

2. **Income**

The recognised incomes for determination of creche/nursery fee level include the following :

- (i) Creche/Nursery fee income (excluding Fee Assistance).
- (ii) Fee Assistance.
- (iii) 5% subsidy.
- (iv) Net income from sundry sales (eg uniforms, aprons, bags etc) and other services arising from the operation of the nursery.
- (v) Interest on recognised income.

3. **Creche/Nursery Fee Income**

Please show calculation in the 'remarks' column of Income Estimates at Schedule 1 using the formula :-

$$\text{Estimated fee income} = \text{Estimated average enrolment per month} \times \text{no. of months} \times \text{proposed fee per child per month.}$$

It should be noted that from the financial year 1986/87 onwards, the surpluses/deficits in respect of the subvention for integrated programme, rent and rates have to be separately identified as social welfare subvention surpluses which are subject to recovery by the Department.

Agency which operates more than one aided day creche/nursery may apply for a **uniform fee** for either all creches or all nurseries under its management in the fee application.

4. **5% Subsidy from Government**

Please show calculation in the 'remarks' column of Income Estimates at Schedule 1 using the formula :-

$$\text{Estimated 5\% subsidy} = 5\% \times \text{approved capacity} \times \text{proposed fee per child per month} \times \text{no. of months}$$

5. **Income/Expenditure from Sundry Sales/Services/Provision of Air-conditioning**

Any charging or acceptance of money or fee in addition to the inclusive monthly fee must be approved, in writing, by the Director of Social Welfare. Centres must keep proper books of accounts which must reflect all sales and purchases of items sold, as well as the income and expenditure relating to the provision of services.

Net income derived from the sale of items (eg uniforms, aprons, bags, handbooks etc) and provision of services (eg provision of air-conditioning, transport service to children etc) should be shown in the Income Estimate at Schedule 1. It should be noted that expenditure in respect of these sales and services should **not** be included in the Expenditure Estimate.

Income and Expenditure relating to other operations eg evening operations carried out at the centre premises should be accounted for separately and should **not** be included in the Income and Expenditure Estimates.

Picture Books/Story Books/Hand-book

In relation to sale of books, suitable picture books, story books and reference books should be provided in sufficient quantity in the book-corners of the centre. Purchases by parents who want to possess the same kind of books for use at home should be available on a strictly voluntary basis and the name and address of the publishers should be made known to them.

Most centres use direct dialogue or stencilled sheets as a regular means of communication with parents. Direct communication is in fact the most effective way to achieve parental understanding and co-operation. In case a hand-book is deemed necessary and a fee is charged, the price should be kept to a minimum and prior approval in writing from the Director of Social Welfare should be obtained.

6. Other Income

Please specify the nature as well as the basis of estimation of the income.

(a) Registration Fee

No registration fee as such should be charged. However, if a place is offered by the centre to a child, the centre may collect the inclusive monthly fee, in part or, in full, **three months in advance** for the first month of the school year, beginning either in August or September. For example, if a child commence attendance on 1 September, the centre may collect the September fee on 1 June at the earliest. The fee may be forfeited if the child subsequently fails to take up the place but it should be clearly communicated to the parents at the time of collecting the advanced fee. No other means of collection of registration fee is allowed unless with prior approval, in writing, of the Director of Social Welfare.

(b) Charges on food and programmes for children

Expenditure on food and programmes for children should be charged against the inclusive monthly fee. **No separate charge** for food and programmes should be made without the prior approval, in writing, of the Director of Social Welfare.

(c) Others

Income such as donations, interest on bank deposits in respect of the 5% subsidy/subventions/Lotteries Fund grant should be shown separately.

7. Personal emoluments

The recognised cost of personal emoluments are limited to the following :

- (a) Staff levels are only recognised, under the Scheme, in accordance with the **minimum** requirements stipulated in the Child Care Services Ordinance.

For a day creche with 60 places, the recognised establishment is as follows :-

1 Supervisor
8 Child Care Workers
2 Child Care Aides
3 Minor Staff (1 Cook and 2 Workman IIs)

For a day nursery with 100 places, the recognised establishment is as follows :-

1 Supervisor
7 Child Care Workers
1 Clerical Assistant
4 Minor Staff (2 Cooks and 2 Workman IIs or
1 Cook and 3 Workman IIs)

- (b) Salaries payable to the creche/nursery staff at the recognised staff levels should not exceed the following scales :

Salary points () as indicated under **Salary Scale** are applicable to new appointees to the creche/nursery **on or after 1.4.2000**. Updated salary scales are issued by the Social Welfare Department from time to time.

Rank	Salary Scale
Supervisor	MPS Pt 14-22
Child Care Worker	MPS Pt 7(6)-17
Trainee Child Care Worker	TPS Pt 4(3)-6
Child Care Aide	MPS Pt 3(2)-9
Clerical Assistant	MPS Pt 1(0)-10
Cook	MPS Pt 6(5)-8
Workman II	MOD I Scale Pt 6(0)-8(8)

MPS = Master Pay Scale
 TPS = Training Pay Scale
 MOD = Model Scale I

Only **one** annual increment of salary, subject to the maximum point of the recognised salary scale not being exceeded, should normally be granted and recognised for inclusion in the fee application.

- (c) For **a nursery with 80 or more places** an assistant supervisor may be appointed to deputize the supervisor in the administration of the nursery. The person should normally be the most experienced among the child care workers. An allowance may be awarded to the assistant supervisor to reflect this responsibility. This person is counted as one of the child care workers required under Child Care Services Ordinance.

In addition, for **a nursery with 160 or more places**, the assistant supervisor, under the aforesaid pay structure and with the above-stated allowance, will be recognised as an additional staff, with the result that such nursery would be entitled to recruiting an additional new worker to replace the one who will serve as assistant supervisor.

- (d) For the recognised staffing levels, provident fund contributions made in accordance with the rules contained in the 'Staff Retirement Schemes in Subvented Organizations' are recognised. Where the contributions are made for a non-standard staff retirement scheme, the expenditure recognised is limited to a maximum of 5% of the recognised staff salaries.

- (e) Backpayment for personal emoluments of all staff, if any, might be separately included in the estimates.
- (f) Relief child care workers may be employed for recognised leaves in order to attain the child care worker/child ratio as specified in the Child Care Services Ordinance, and at the wage rates as notified by the Department from time to time. However, as for the wages for relief child care worker for Integrated Programme, since it is covered by subvention, all its cost should not be included in the estimates.
- (g) Relief minor staff may be employed for recognised leaves at the wage rates notified by the Department from time to time.
- (h) Actual long service payments are recognised.
- (i) Any other costs of personal emoluments will not be recognised unless with the written approval of the Department.

The estimates of personal emoluments should be made in accordance with the above provisions and should, on this basis, represent the fairly accurate amounts to be paid to the staff of the centre during the period. The basis of estimate for relief staff, if any, should be given in the 'Remarks' column of Schedule 2.

8. Other Charges

For aided day creches/nurseries, recognised other charges refer to the recurrent expenses which are incurred necessarily and exclusively for their operation under the Scheme. The following items of expenditure are **not recognised** :-

(a) Fringe benefits for staff

housing benefits, provision of food/food allowance, travelling allowance, awards, gifts, lucky money, recreation/entertainment expenses, medical expenses except for staff recruitment and cost of injection of Hepatitis B, etc. except that the cost of injection of Hepatitis B for child care workers in day centres is recognised.

(b) Expenses related to staff training

staff training and development cost except incidental expenses for staff attending local trainings/development programmes such as local seminars, workshops, etc.

(c) **Expenses related to other charitable funding**

expenses for topping up Lotteries Fund grants, recurrent consequences of capital items financed by donations/charitable funding, etc.

(d) **Capital financing expenses and bank charges**

mortgage and interest on loans, overdrafts, penalty on mishandling of bank accounts, etc. except auto-pay service for salaries and fees, audit confirmation and stop payment on cheque.

(e) **Expenses specifically advised by the Department to be borne out of the agency's own resources**

recurrent expenses for non-standard equipment, maintenance and additional electricity charges for provision of air-conditioning, pager, mobile phone (except for service with service van), etc.

(f) **Insurance Premium**

except for employee compensation and public liability, vehicle third party insurance and insurance cover for children under the care of the centre.

(g) **Entertainment expenses**

luncheon meeting, spring reception, farewell party for staff, etc.

(h) **Subscription/registration fees**

membership/registration fees for the Hong Kong Council of Social Service, Occupational Retirement Scheme Ordinance, Company Registry, professional association, renewal of driving licence and traffic fine, etc.

(i) **Administrative and management expenses**

- advertisement (except for staff recruitment), provident fund handling charges, expenses relating to annual report, AGM, EGM, etc.
- central administrative overheads or management/secretarial/other expenses from the headquarters or other service units. For day nurseries, provision for accounting service will be included to a level not exceeding one year's salary at the starting point of a Clerical Assistant if the post of Clerical Assistant (as stipulated in para 7(a) above) is not filled.

(j) **Expenses not related to activities within the scope of child care services**

religious activities, after-school care service, office decoration, etc.

(k) **Deposits**

deposits/bank guarantee charges in forms of China Light & Power Co. Ltd., Water Authority, etc.

(l) **Capital expenditure for major renovation**

(m) **Depreciation/amortization of fixed assets or provisions not representing actual expenses incurred**

(n) **Honorarium for volunteers**

(o) **Cost of souvenirs except to speakers, donors, volunteers, etc.**

The list is not exhaustive. Creches/nurseries should exercise proper control over the use of funds and ensure that funds are spent on activities/items directly related to operation/delivery of the child care service.

9. **Basis of Estimates and Computations**

Basis of estimates and computations should be shown clearly in the 'remarks' column of the Income & Expenditure Estimates at Schedules 1 and 2. If space is insufficient, please use separate sheets.