

**Questions and Answers
in Briefing Session on Social Welfare Development Fund (SWDF)**

Funding and related matters:

Q1: Is it necessary to divide the fund evenly among the three scopes of SWDF in each phase? Can an NGO apply to spend more on one scope than the other?

A1: NGO has the autonomy to decide the ratio of fund to be spent among the three scopes and the scope(s) to be covered in each phase. Nevertheless, staff consultation should be conducted with staff's views taken into account in the application, and all the proposed projects should also be endorsed by NGO's Management Board/Executive Committee.

Q2: Can an NGO spend all the funding on the scope of business system upgrading in Phase 1 and then spend all the funding on the scope of studies for enhancing NGOs' subvented service delivery in Phase 2?

A2: NGO has the autonomy to decide the ratio of fund to be spent in each scope and the scope(s) to be covered in each phase. Nevertheless, NGO should provide justifications in the application if they apply all SWDF on one scope only in each phase.

Q3: Can an NGO choose to spend the whole funding cap (i.e. 100% of SWDF) in Phase 1 instead of spreading SWDF in 3 phases?

A3: It is advisable for NGO to spend the whole funding cap throughout the 3 phases for continuous development purposes. Apart from consulting staff, NGO has to provide full justifications for SWD's consideration if the whole funding cap is to be spent only in Phase 1.

Q4: Under the Business Improvement Project (BIP) Scheme, subvented NGOs could apply for funding up to \$4 million. Why the total funding cap for some NGOs was less than \$4 million under SWDF? Could NGOs apply for additional funding above their total funding cap?

A4: While the BIP Scheme has been implemented for almost 9 years since its launching in 2001, the applications and utilisation of fund under the Scheme were limited. As at September 2009, only about 40% of NGOs had applied for BIP and \$102 million was approved (i.e. less than 20% of the reserved funding was used.). Subsuming the BIP under SWDF can facilitate more effective and flexible use of resources. The funding cap calculation for SWDF had been made references to the amount approved for individual BIP projects and the \$200 million One-off Subsidy to NGOs in 2008-09. We have adopted a more lenient approach to small NGOs which funding cap is at \$2 million whereas the funding cap for large size NGO may be up to \$60 million. Furthermore, NGOs with strong justifications to request for additional fund above their designated funding cap may apply for SWD's consideration.

Q5: Can SWDF cover the staff working in nursery school services? What is the definition of subvented services for the purpose of SWDF?

A5: No, as the services of nursery school are funded by EB, staff of these

services cannot be covered by SWDF. Only welfare services subvented by SWD and funded by grants within control of the SWD and the Labour and Welfare Bureau such as Lotteries Fund, Partnership Fund for the Disadvantaged, Community Investment and Inclusion Fund will be recognized.

Q6: Is virement of fund permissible between approved projects?

A6: Virement of fund between the approved projects in the same phase is allowed as long as the NGOs can provide justifications in the Annual Progress Report (APR). However, for IT projects, it is only allowed for virement of surplus from IT projects to other approved projects in the same phase. The other way round will not be accepted.

Scope A – Training and Professional Development:

Q7: Can existing staff be paid to take up the relief work?

A7: SWDF aims at facilitating NGOs to release existing subvented staff to receive training by supporting the cost on relief worker. Paying the existing staff for the relief work may therefore defeat the purpose of the fund for encouraging the subvented staff to receive training and affect quality of services provided by the existing staff when they also take up the duties of the staff on training. Therefore, this arrangement is not allowed.

Q8: Can SWDF be used to employ staff to relieve subvented staff deployed for organising or conducting training?

A8: No, SWDF should be used for covering the cost of relief staff aiming at releasing existing subvented staff to receive training.

Q9: Under what circumstance should NGO appoint a relief worker?

A9: The SWDF may cover the cost of relief workers only for the period when the subvented staff goes on training. Staff consultation should be conducted and endorsement of Board Management should be obtained while planning the use of SWDF. NGO should also ensure that such temporary appointment of relief workers is in line with the human resource management policies of the organisation and compliant with the relevant statutory requirements and prevailing subventions policies.

Q10: Can an NGO accord priority to train up junior non-social-work staff, instead of younger social workers?

A10: The Lump Sum Grant Independent Review Committee in the Review Report on LSGSS recommended enhancing the personal capacity of younger social workers particularly those who joined the welfare sector after 2000. Thus, it was advised that NGOs in planning their training projects under scope A should accord priority to these younger social workers with a reasonable percentage of the total training budget purposely allocated to them. Such percentage may vary with NGOs depending on the number of such younger social workers employed for delivering subvented welfare services. In general, SWDF is to address, among others, the training needs of board members and other subvented staff (not limited to social workers) in subvented welfare services. Therefore, how

SWDF is to be applied to meet such training needs of an NGO is to be determined by the NGO's Management Board/Executive Committee with staff being consulted.

Q11: Are distance learning courses counted as training and professional development projects outside HK?

A11: No, as long as the staff is receiving training in HK, the training is considered as local in nature.

Scope B – Business System Upgrading (IT and Non-IT nature):

Q12: Can SWDF be spent on IT consultancy service?

A12: IT projects under scope of business system upgrading should be in line with the prevailing IT Strategy for the Social Welfare Sector. Proposals merely on consultancy service and IT strategic planning / strategic plan development will not be considered during Phase 1 of the SWDF.

Q13: How to obtain more information about the prevailing "IT Strategy for the Welfare Sector" as stated in the Guidance notes?

A13: The relevant papers on IT Strategy for the Social Welfare Sector can be downloaded at SWD Website under "NGO Corner".
http://www.swd.gov.hk/en/index/site_ngo/page_itwelfare/

Q14: Can an NGO employ a consultant under the scope of business system upgrading as in BIP Scheme such as projects joined under CAP?

A14: Funding support is unlikely to be approved for employing consultants only for reviewing or mapping out which areas for improvement, i.e. only to find out the problems for the NGO concerned. Nevertheless, SWDF may support employing consultants for a package of services including conducting review or analysis on the supported scopes of business system upgrading, drawing up proposal(s), and overseeing the implementation of the project(s).

Q15: Under the scope of business system upgrading, can SWDF be used to employ staff to oversee IT projects or write computer programme to enhance service management?

A15: Yes. SWDF can be used to cover the staff cost for drawing up proposals and overseeing the IT projects for system upgrading.

Q16: Under the scope of business system upgrading, can SWDF be used to purchase IT hardware?

A16: No. In fact, two measures had been introduced to NGOs in 2009 for replacing / upgrading their PCs, including

- (a) LF grants on one-off basis for replacement of personal computers,; and
- (b) raising the cap of the Block Grant from 1% to 1.5% of annual recurrent subventions and relaxing the criteria for its use to include the replacement / upgrading of IT equipment.

However, exception will be considered for purchasing of hardware which is

a necessity of the IT project under scope of business system upgrading.

Q17: Can a proposal of capital works related to environmental protection be submitted under the scope of business system upgrading?

A17: A proposal solely on renovation is outside the scopes of SWDF, and therefore will not be considered. If the capital works is for projects capable of producing cost saving or productivity improvement in service delivery in the long run, for example, installation of environmental friendly devices like illumination system and ozone laundry system, etc., it may be considered under the scope of business system upgrading.

Scope C – Studies Aim at Enhancing Service Delivery:

Q18: Under the scope of studies, can SWDF be used to conduct research on mental health?

A18: Under the scope of studies, SWDF should aim at enhancement of service delivery by means of evaluating and improving existing mode of subvented service delivery, but not research on exploring community problems and service needs.

Vetting of applications:

Q19: How long will it take for processing one application?

A19: SWD will start the vetting process once received the NGOs' applications. On the condition that NGO's application is completed clearly with all required information provided, it is expected to take about one month to complete vetting one application. If the number of applications received at one time is great or an application is complicated, it may take longer time for vetting. Further time is also required for submitting the applications to the Lotteries Fund Advisory Committee (LFAC) which will hold meetings bi-monthly and the Financial Services and the Treasury Bureau as appropriate for funding approval.

Q20: Is there any appeal channel for the SWDF?

A20: SWD staff would liaise and discuss with NGOs concerned on their proposed projects in the course of vetting. For each application, it has to be put up to LFAC for funding endorsement. The rejected case may also be brought up to LFAC again if the NGO concerned had different view over the result.

Q21: What is the amount entailing a proposal to be put up to the Financial Services and the Treasury Bureau (FSTB) for approval?

A21: A proposal requiring more than \$4 million has to be put up to the FSTB for funding approval.