



The ABM Hong Kong Swatow Baptist Church Community Service Association

# Walking together with board members!

Envisioning Programme on the Best Practice Manual

7.12.2015

- Mission 、 Practice
- Leading 、 Execution
- Decision-making 、 Problem resolution
- Appointment 、 Delegation
- Authority 、 Discretion
- Monitoring 、 Accountability

**Walk through storms with mutual trust !**



**Concern Group for Small Welfare Agencies**

**Best Practice Manual**

**Practice Document (Sample)**

**Financial Management**

**Management of Lump Sum Grant (LSG) Reserve**

**1. Maximised Use of Reserve (Level One)**

**Principles:**

- NGOs are required to ensure that the reserve is fairly, reasonably, properly and effectively used for the intended purposes as stipulated by SWD.
- NGOs should maximise the use of the reserve in order to maintain or strengthen service delivery and implement strategic development plans, including building up a staff team with high quality.

<b>Criteria and procedures</b>	<b>Time period</b>	<b>Documents</b>	<b>Persons/committee in charge</b>
NGOs are required to, based on the actual circumstances and their development strategies, decide on their own how the LSG reserve be utilized in different areas, such as fulfilling the contractual commitment to staff, maintaining or strengthening service delivery and implementing strategic development plans, including building up a staff team with high quality through enhancement of the employment terms of existing staff, supporting the professional development of staff, etc.	The NGO's management committees may arrange meeting agendas to discuss the relevant matters by coordinating with the progress of annual service review and development plans of the NGO.	LSG Manual, LSG Circulars, relevant letters, NGO annual plan documents	NGO's management committees, NGO's management staff
NGOs' management committees are required to discuss in their meeting(s), at least once a year, how to manage and utilise the reserve, and to consider during the discussion how to maximise the use of the reserve for the NGOs' development. The discussion has to be put on record.	May arrange meeting agendas to discuss the relevant matters by coordinating with the progress of annual service review and development plans of the NGO.	Meeting minutes of NGO's management committees	NGO's management committees, NGO's management staff
In managing the LSG reserve, NGOs are required to observe the intended purposes as stipulated in the LSG Manual, LSG Circulars, relevant letters/notifications, and to have documents such as financial reports, financial plans, etc.	Throughout the year	LSG Manual, LSG Circulars and relevant letters/notifications, financial reports, financial budgets	NGO's management committees, NGO's management staff
NGOs are required to have documents setting out the policies and procedures on managing and monitoring their LSG reserve, and to make known to staff such procedures.	Throughout the year	NGO's policies and procedures on management and supervision of the LSG reserve (Appendix 1)	NGO's management committees, NGO's management staff



**The policies and procedures for NGOs' management and supervision of the LSG reserve**

1. Policies

- The NGO's management committee is responsible for supervising the operations of the NGO, developing the plans and budgets for the service scopes, and supervising the NGO to properly apply public funds, including the LSG and the relevant reserve from the SWD, in designated usages. At the same time, the NGO's management committee will, according to the continuous development of the NGO, timely review the relevant reserve and make appropriate amendments on how to use the reserve when necessary.
- In utilizing the LSG reserve of the SWD, the NGO's management committee and the senior management shall comply with the usages stipulated in the LSG Manual, LSG Circulars and relevant letters/notifications.
- In order for the NGO to get responses and opinions from the relevant parties, the NGO's management committee will provide the staff and the public with the financial reports on the LSG and the reserve of the SWD.

2. Procedures

- The NGO's management staff together with the head of service units and employees shall make annual plans according to the annual plan cycles.
- The NGO's management staff and the head of service units shall complete drafting of the annual service plans, including service development strategies, human resources planning etc., according to the mission and goals of the NGO.
- The NGO's management staff shall prepare the annual financial budget of the NGO, according to the annual service plans and the financial conditions of the NGO, including how to use the LSG reserve when necessary.
- The NGO's management staff shall submit the drafts of the service development plans and financial budget to the NGO's management committee for discussion and approval.
- The NGO's management staff shall submit the relevant financial reports, including the latest financial reports of the NGO and the report on the LSG reserve, to the NGO's management committee.
- The NGO's management committee will discuss on the relevant proposals according to the mission and goals of the NGO, and also by taking into account the compliance with the usages stipulated in the LSG Manual, LSG Circulars and relevant letters/notifications when managing the LSG reserve.
- The results of discussion of the NGO's management committee shall be recorded in the meeting minutes of the NGO's management committee.
- The NGO shall disclose the audited financial report and the information on the LSG reserve in its annual service report for the staff and the public to review.



### 3. Status of Reserve (Level One)

#### Principles:

- NGOs are required to, through convenient, effective and timely channels, release information about the LSG reserve in a reader-friendly format to staff members and the public. Such information should include briefly a plan on how the reserve will be used in the future.

<b>Criteria and Procedures</b>	<b>Time period</b>	<b>Documents</b>	<b>Persons/committee in charge</b>
NGOs are required to release its financial statements about the utilisation of the LSG reserve in the past year to the public in its annual report. The annual report will also be uploaded to the website of the NGO. The management staff of the NGO shall briefly describe the plan on how to use the reserve in the annual report as well as at the meeting with staff.	The annual report will be published in around January	Annual report, meeting minutes	NGO's management staff



**Use of Provident Fund (PF) Reserve for Non-Snapshot Staff**  
**4. Use of Reserve (Level One)**

**Principles:**

- NGOs are required to maximise the use of PF reserve for non-snapshot staff for the designated purpose to enhance staff morale and their sense of belonging to the organisations.

<b>Criteria and Procedures</b>	<b>Time period</b>	<b>Documents</b>	<b>Persons/committee in charge</b>
NGOs are required to, based on the actual circumstances of their PF reserve, determine on their own the use of PF reserve in such ways as adjusting the PF contribution rates or giving a one-off additional contribution to staff.	The NGO's management committees may arrange meeting agendas to discuss the relevant matters by coordinating with the progress of annual service review and development plans of the NGO.	Meeting minutes of NGO's management committees, circulars of NGO	NGO's management committees, NGO's management staff
NGOs' management committees are required to discuss in their meeting(s), at least once a year, how the PF reserve should be managed and utilised. The discussion has to take the above principles into consideration and be put on record.	The NGO's management committees may arrange meeting agendas to discuss the relevant matters by coordinating with the progress of annual service review and development plans of the NGO.	Meeting minutes of NGO's management committees, circulars of NGO	NGO's management committees, NGO's management staff
NGOs are required to observe the relevant legislation and the purposes as stipulated in the LSG Manual, LSG Circulars, relevant letters/notifications in utilising the PF reserve for non-snapshot staff, and to have documents such as financial reports, financial plans, etc.	Throughout the year	LSG Manual, LSG Circulars and relevant letters/notifications, NGO annual plan documents	NGO's management committees, NGO's management staff
NGOs are required to have documents spelling out the mechanisms, policies and procedures regarding the management and monitoring of the PF reserve for non-snapshot staff.	Throughout the year	NGO's policies and procedures on management and monitoring of the PF reserve (Appendix 2)	NGO's management committees, NGO's management staff
NGOs are required to report on the utilisation of the PF reserve for non-snapshot staff in the past year and to provide a brief plan on how the reserve is going to be used in the future at their annual general meetings/in their annual reports.	The annual report will be published in around January	Minutes of annual meeting, annual reports	Annual meeting, NGO's management committees, NGO's management staff

**Mechanism, policies and procedures on management and supervision of PF Reserve for Non-Snapshot Staff**

1. Policies

- The NGO's management committee is responsible for supervising the operations of the NGO, developing the plans and budgets for the service scopes, and supervising the NGO to properly apply public funds, including the PF and the relevant reserve for Non-Snapshot Staff of the SWD, in designated usages. At the same time, the NGO's management committee will timely review the relevant reserve, and make appropriate amendments on how to use the reserve when necessary.
- In utilizing the PF Reserve for Non-Snapshot Staff, the NGO's management committee and the senior management shall comply with the usages stipulated in the LSG Manual, LSG Circulars and relevant letters/notifications.
- In order for the NGO to get responses and opinions from the relevant parties, the NGO's management committee will provide the staff with the financial reports on the PF Reserve for Non-Snapshot Staff.

2. Procedures

- The NGO's management staff together with the head of service units and employees shall make annual plans according to the annual plan cycles.
- The NGO's management staff and the head of service units shall complete drafting of the annual service plans, including service development strategies, human resources planning etc., according to the mission and goals of the NGO.
- The NGO's management staff shall prepare the financial budget of the NGO according to the annual service plans and the financial conditions of the NGO, including how to use the LSG reserve and the PF Reserve for Non-Snapshot Staff when necessary
- The NGO's management staff shall submit the drafts of the service development plans and financial budget to the NGO's management committee for discussion and approval.
- The NGO's management staff shall submit the relevant financial reports, including the latest financial reports of the NGO, the report on the LSG reserve and the PF Reserve for Non-Snapshot Staff, to the NGO's management committee.
- The NGO's management committee will discuss on the PF Reserve for Non-Snapshot Staff and its utilisation, and also by taking into account the compliance with the usages stipulated in the LSG Manual, LSG Circulars and relevant letters/notifications when managing the LSG reserve.
- The results of discussion of the NGO's management committee shall be recorded in the meeting minutes of the NGO's management committee.
- The NGO shall disclose the audited financial report and the information on the PF Reserve for Non-Snapshot Staff in its annual service report with a brief description of the plan on future utilisation of the reserve for the staff to review.



## 5. Status of Reserve (Level One)

### Principles:

- NGOs are required to use convenient, effective and timely channels to release information about the PF reserve to staff members, including a brief plan on how the PF reserve will be used in the future.

<b>Criteria and Procedures</b>	<b>Time period</b>	<b>Documents</b>	<b>Persons/committee in charge</b>
NGOs are required to release its financial statements about the utilisation of the PF reserve in the past year to the public in its annual report. The annual report will also be uploaded to the website of the NGO. The management staff of the NGO shall briefly describe the plan on how to use the reserve in the annual report as well as at the meeting with staff.	The annual report will be published in around January	Annual report, minutes of meeting with staff	NGO's management staff





**Human Resource Management  
Staff Remuneration Policy and Administration  
6. Salary Adjustment (Level One)**

**Principles:**

- NGOs are required to spend the subvention for salary adjustment on the designated purpose by making timely adjustment to the salary for all staff members subvented by LSG.

<b>Criteria and Procedures</b>	<b>Time period</b>	<b>Documents</b>	<b>Persons/committee in charge</b>
NGOs' management / financial committees and the boards of directors shall discuss and approve the distribution principles for the subvention allocated to NGOs as additional resources for salary adjustment, and the time slots for payment to the staff after receipt of the relevant grant, as well as the principles for payment of additional salary according to the charters.	From April to September yearly	Meeting minutes of NGO's management / financial committees, LSG Manual, LSG Circulars, relevant letters/notifications, NGOs' employee handbooks, employment contracts	NGO's management / financial committees, NGO's management staff
After the government and the relevant authorities have endorsed the salary adjustments, the NGOs' management / financial committees shall make final amendments to the salary adjustments for the year.	From April to October yearly	Meeting minutes of NGO's management / financial committees, LSG Circulars and relevant letters/notifications, financial reports, financial budgets	NGO's management / financial committees, NGO's management staff
Upon receipt of SWD's letter in relation to the "Additional allocation on salary adjustment", NGOs are required to, through letters, emails or briefing, inform the staff about the salary adjustment arrangement for the financial year, including the following: 1. The amount of additional allocation granted by SWD to the NGO for salary adjustment for the financial year; 2. The distribution principles as resolved by the NGOs' management committees: (a) Adjust the staff salary by the same percentage of the Civil Service Pay Adjustment (CSPA); or (b) Spend the full amount of the additional allocation for salary adjustment on salary adjustment for staff, and briefly explain the reason. 3. Time slots for payment of salary.	From April to November yearly	SWD's letter in relation to the grant, emails or letters from the NGO to the staff, agendas and records of briefings	NGO's management staff
Upon receipt of the additional allocation from SWD, the NGO shall inform the staff about the amount and date of payment by emails/letters.	From October to December yearly	NGO's circulars, notices and confirmations to individual staff, minutes of staff meetings	NGO's management staff, staff of financial and administration departments



**Roles and Duties of NGOs in Complaints Handling**

**13. Composition, Duties and Responsibilities on Handling Complaints at Different Levels (Level One)**

**Principles:**

- For LSG-related complaints, NGOs are required to develop a sound mechanism and policy to clearly spell out the personnel in handling complaints at different levels and their respective responsibilities and duties at each level.
- NGOs are required to ensure that all levels of staff involved in complaints handling are free from any conflict of interest.
- NGOs are required to ensure that both the complainant and the parties being complained against are aware that the complaint concerned is being handled in accordance with the procedures set out by the NGOs/the LSG Independent Complaints Handling Committee (IHC).

<b>Criteria and Procedures</b>	<b>Time period</b>	<b>Documents</b>	<b>Persons/committee in charge</b>
i. LSG-related complaints against NGOs or their service units lodged by service users and staff should first be handled by the NGO concerned in accordance with its established policies.	Throughout the year	LSG Manual, LSG Circulars, relevant letters/notifications, SQS 15	Chief Executive Officer (CEO), NGO's management staff
ii. NGOs are required to have policy documents spelling out the policies and mechanism in relation to complaints handling (including complaints involving staff, the management and the NGOs' management committees). If NGOs' existing complaints handling policies and mechanism (SQS 15) have already covered the complaints mentioned above, the NGOs just need to follow the existing mechanism.	Throughout the year	LSG Manual, LSG Circulars, relevant letters/notifications, SQS 15, Appendix 3: Complaints Flowchart	CEO, NGO's management staff
iii. NGOs are required to let both the complainant and the parties being complained against know that the complaint concerned is being handled in accordance with the procedures set out by the NGOs/the IHC.	Throughout the year	LSG Manual, LSG Circulars, relevant letters/notifications, SQS 15, Appendix 3: Complaints Flowchart	CEO, NGO's management staff



#### 14. NGOs' Policies and Procedures on Complaints Handling (Level One)

**Principles:**

- For LSG-related complaints, NGOs are required to strictly follow established policies and procedures, as well as the personnel composition to handle the complaints in a fair manner, with appropriate monitoring and appeal/review mechanisms.
- NGOs are required to comply with the ICHC's complaints handling procedures (Note 1) and requirements in handling the complaints concerned.

Criteria and Procedures	Time period	Documents	Persons/committee in charge
i. NGOs are required to have documents spelling out their internal control measures in relation to handling LSG-related complaints.	Throughout the year	LSG Manual, LSG Circulars, relevant letters/notifications, SQS 15, Appendix 3: Complaints Flowchart	CEO, NGO's management staff
ii. NGOs are required to keep written records of the complaints received and the actions taken to ensure that the complaints will be handled fairly in accordance with the established policies, procedures and personnel composition.	Throughout the year	Complaint interview records, documents and letters in relation to the complaint	CEO, NGO's management staff
iii. NGOs are required to comply with the ICHC's requirements to provide relevant information and written records of the complaints concerned in a timely manner to facilitate the ICHC's investigation into the complaints.	Throughout the year	Complaint interview records, documents and letters in relation to the complaint	CEO, NGO's management staff
iv. NGOs are required to keep relevant written records to show that follow-up actions have been taken in accordance with the ICHC's recommendations.	Throughout the year	Written follow-up records, complaint interview records, documents and letters in relation to the complaint	CEO, NGO's management staff

Note 1: The stipulated policies of the Secretariat of LSG ICHC under SWD.



### Complaints Handling Flowchart

