



Sharing Session for Small NGOs on the Lotteries Fund

Prepared by
Lotteries Fund Projects Section
April 2010





Background of the Lotteries Fund (LF)

- Established on 30 June 1965 by Resolution of the Legislative Council for the purpose of financing social welfare services
- Income mainly from the proceeds of the Mark Six Lottery. Other income includes proceeds from auctions of vehicle registration numbers, investment income and donations
- Targeted recipients – bona-fide non-profit making NGOs providing valuable services to the community
- Applications processed in accordance with the ambits and procedures specified in the LF Manual





Types of the Lotteries Fund Grants

- Grants for experimental projects of limited duration (Chapter 2)
- Lump sum grants for fitting-out (F/O) and furniture and equipment (F&E) for new or reprovisioned premises (Chapter 3)
- Block Grant for subvented NGOs (Chapter 4)
- Major grants / Other grants (Chapter 5)





Grants for Experimental Projects of Limited Duration (Chapter 2)

- **Ambit**

- Staff and operating expenses on a well-defined project basis (limited duration of not more than **4 years** and is experimental or innovative in nature)





Grants for Experimental Projects of Limited Duration (Chapter 2)

- Way of Processing and Project Monitoring
 - Application to be processed as and when occasion arises
 - Liaise with respective Service Branch
 - Funding of project usually by disbursement in advance according to agreed schedule
 - NGOs should submit progress/evaluation reports, audited income and expenditure statement for assessing the project achievement and its cost effectiveness



Lump Sum Grants for Fitting-out and Furniture and Equipment (Chapter 3)

- **Ambit**

- Non-recurrent expenditure for F/O and /or purchase of F&E for new or reprovisioned premises for NGOs to be identified for providing welfare services



Lump Sum Grants for Fitting-out and Furniture and Equipment (Chapter 3)

- Way of Processing and Project Monitoring
 - Application to be processed as and when occasion arises
 - Liaise with respective Service Branch
 - Separate grant for F/O & F&E and they may not be used interchangeably
 - Claims to Arch Section / SWD for reimbursement for F/O while claims to Finance Branch for F&E





Block Grant (Chapter 4)

- **Ambit**

- Existing premises providing SWD-subservent services (4.2.1) with:
 - F&E: each item costing < \$50,000
 - Minor Works Projects: each costing < \$500,000 on an individual service unit basis
 - Vehicle Overhauling Works





Block Grant (Chapter 4)

- Way of Processing

- Processed once in a year
- NGOs will be invited to submit applications each year for the Block Grant (BG) for the next year
- BG will be provided on a NGO basis with reference to its recurrent subvention, the LF resource constraints and other relevant considerations
- Disbursement to NGOs quarterly in advance





Block Grant (Chapter 4)

- Scope of Works

- Minor works to include repairs, renovation, maintenance and minor improvement works for existing premises and the associated AP fees, if necessary
- F&E items for existing premises including replacement / upgrading of IT equipment (PCs, related software and peripherals)
- Flexibility in the use of grants (within ambit) – including unforeseen requirements such as emergency repairs





Block Grant (Chapter 4)

■ Progress and Monitoring

- Procurement / Contractor (works or otherwise) selection
 - Should be done through quotation / tendering exercise as prescribed in Chapter 6
- Time frame for completion
 - To carry out the works or procurement as planned to meet the NGO's requirements in a timely manner
- Store management
 - Store records, stock taking and verification, disposal of assets should follow the requirements and principles as stipulated in 6.8 - 6.10 of the LF Manual





Major Grants/ Other Grants (Chapter 5)

■ Ambit

- Construction of purpose-built premises, major renovation / maintenance works $> \$500,000$
- Engineer slope inspection or remedial works
- Conversion and fitting-out works for in-situ expansion
- Purchase of F&E item each $> \$50,000$
- Purchase of vehicles





Major Grants/ Other Grants (Chapter 5)

■ Way of Processing

- Applications processed as and when occasion arises
- LF application (Annex 5.1 of LF Manual) to be submitted to LFPS
- One LF grant for each application
- Allocation for works and F&E not to be used interchangeably
- Claims to Finance Branch on a reimbursement basis





Major Grants/ Other Grants (Chapter 5)

- **Scope of Works**

- Works

- In accordance with the approved scope and standard of works

- F&E

- List of items endorsed is meant for reference, not strict compliance, except where specified, e.g. vehicle (5.5.5)
- No supplementary grant will normally be given





Major Grants/ Other Grants (Chapter 5)

- Progress and Monitoring
 - Procurement of AP service / Contractor (works or otherwise) selection
 - Should be done through quotation / tendering exercise as prescribed in Chapter 6
 - Time frame for completion (Works)
 - Annex 5.4 of the LF Manual
 - Completion according to the schedule set by SWD
 - Submission of all payment claims and final account within 3 months from the date of expiry of DLP





Major Grants/ Other Grants (Chapter 5)

- Progress and Monitoring
 - Time frame for completion (F&E)
 - Annex 5.4
 - Completion and submission of all payment claims according to the time frame as stated in approval letter
 - Store management
 - In accordance with the requirements and principles as stipulated in 6.8 – 6.10 of the LF Manual





Application Process

- Step 1
 - Submission of LF application to LFPS
- Step 2
 - Initial vetting by respective Service Branch
- Step 3
 - Vetting by Architectural Section / Architectural Services Department (Arch SD)
- Step 4
 - Approval of an LF Grant



Step 1: Submission of LF Application

- LF Application Form (Annex 5.1 of the LF Manual)

[附-51 (第1頁)]
Annex 5.1 (P1)

綠安基金撥款申請表格 (工程/修保養/用具)
Leisure Fund Application Form (Works/Repairs/Equipment)

在填寫此申請表格前，請仔細閱讀表格內附有的指引及綠安基金手冊。
Please Study the Guidance Notes of Appendix 2 and the Leisure Fund Manual carefully before you complete the form.

一般資料表
General Information Sheet

1. 申請撥款之工程名稱 (中文)
Name of applicant the applicant (in Chinese)

1.1 運作機構
Operating agency

1.2 聯絡人姓名
Name: Mr/Ms/Ms

1.2.1 名稱
Name:

1.2.2 聯絡位置
Address:

1.2.3 地址
Address:

1.2.4 聯絡地址及電話號碼
Contact Address and Tel. Number:

1.2.5 通訊地址 (只填中文)
Communication Address (in Chinese only):

1.2.6 聯絡人及聯絡號碼
Contact person and telephone no.:

1.2.7 開始日期 (月/年)
Commencement date of the work (in month/year):

1.2.8 預計完成日期 (月/年)
Completion date of the work (in month/year):

附錄 1
Appendix 1

綠安基金
申請工程項目資料摘要表 (粵語)
Summary of Application for Leisure Fund Grant for Works Items (See Note)

項目名稱 Item No.	工程項目名稱 Summary of Item Description	預算/估 Approx. Cost	備註 Remarks
1.	工程項目名稱 Work Item		
1.1	基礎土工程 Concrete Works		
1.2	磚工 Brickwork & Blockwork		
1.3	木工及鐵工 (包括木工及鐵工) Carpentry & Ironwork (including Ironwork)		
1.4	油漆工程 Painting Works		
1.5	油漆及修補工程 Painting & Finishes		
1.6	油漆及修補工程 Painting and Decorating		
1.7	油漆工程 Painting		
1.8	油漆工程 Painting		
1.9	油漆工程 Painting		
1.10	油漆、油漆及修補工程 Painting, Ventilation and Air-conditioning Works		
1.11	油漆工程 Painting		
1.12	油漆工程 Painting		
1.13	其他 (請註明) (Other (please specify))		
		合共/合計 Subtotal	0.00
2.	油漆工程 (只適用於申請人: 建築師/專業人士) Painting (ONLY applicable for application to be Authorized Person / Consultant as appointed)		
2.1	油漆工程 (只適用於申請人: 建築師/專業人士) Painting (ONLY applicable for application to be Authorized Person / Consultant as appointed)		
2.2	油漆工程 Painting		
2.3	油漆工程 Painting		
2.4	油漆工程 Painting		
		合共/合計 Subtotal	0.00
		合共/合計 Subtotal	0.00

註: 申請表格內的工作項目資料, 應按附錄 2 提供。
Note: Breakdown and details of the works items should be provided in Appendix 2.





Step 1: Submission of LF Application

- Completed LF Application Form includes:
 - Appendix 1 – Summary of Application for LF Grant for Works Items;
 - Appendix 2 – Breakdown and Details of the Proposed Works Items
 - Appendix 3 – Details of Application for LF Grant for F&E including Purchase of Vehicle





Step 1: Submission of LF Application

- Refer to a Check List for “completed” documents to be submitted & proforma
- Completed documents can greatly facilitate the vetting process





Step 1: Submission of LF Application

- A covering letter attached to the LF application with declaration on:
 - whether the applied items have been / may be supported by other funding sources; and
 - whether any items in the present application duplicate with previously approved LF projects including Block Grant allocations in the past five years





Step 1: Submission of LF Application

- Outstanding documents usually are:
 - Existing and proposed layout plans;
 - Quotations;
 - Drawings;
 - Approval of works by relevant authorities, etc.





Step 1: Submission of LF Application

■ Requirements

- The proposed layout change should be agreed / supported by respective Service Branch of SWD; and
- The applied works items are within the standard provisions of the Technical Schedule and Schedule of Accommodation





Step 2: Initial Vetting by Respective Service Branch

- To seek support from relevant Service Branch on proposed layout submitted by NGO, if required; and
- To assess if the proposed works items are within the standard provisions





Step 2: Initial Vetting by Respective Service Branch

- Site Visit

- A joint site visit will be conducted by LFPS and respective Service Branch (if necessary)
- Any deviation from the agreed layout would be discussed and agreed during the site visit





Step 2: Initial Vetting by Respective Service Branch

- The application will be forwarded to Architectural Section / Arch SD for technical vetting

NGOs should not further amend the proposed layout and proposed works after this stage





Step 3: Vetting by Architectural Section / Arch SD

- Details of the proposed works items at Appendix 2 of the LF application form should be **clear** and **sufficient** to facilitate the cost estimate of Architectural Section / Arch SD
- On-site assessment will be conducted

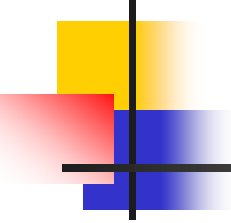




Common Problems Identified

1. Unclear or ambiguous description of the scope of works
2. Estimates combined into a lump sum without relevant breakdown
3. Omission of relevant information such as locations and dimensions
4. Inclusion of non / above-standard items
5. Inclusion of F&E items
6. Insufficient information to justify the necessity of the works
7. Failure to seek consent from relevant authorities (e.g. Buildings Dept. and Fire Services Dept.) on the proposed works





1. Unclear or Ambiguous Description of the Scope of Works

- Example:

Description	Unit	Unit Rate	Amount
To supply and install water heaters in disabled toilets and toilets in activity rooms	5 nos	\$8,850	\$44,250



1. Unclear or Ambiguous Description of the Scope of Works

- Proper Submission:

- Provide clear description of the scope of works with relevant layout plans to indicate locations and provide a quotation

Description	Unit	Unit Rate	Amount
To supply and install water heaters in disabled toilets and toilets in activity rooms 1. disconnect & remove dia. 22mm internal piping and 2 nos. of existing water heater 2. supply and install water heater of gas type (14 Litres) 3. connect electric lighter for water heater, etc.	5 nos	\$8,850	\$44,250



2. Estimates Combined into a Lump Sum without Relevant Breakdown

- Example:

Description	Unit	Unit Rate	Amount
Kitchen Equipment	1 sum	\$96,200	\$96,200





2. Estimates Combined into a Lump Sum without Relevant Breakdown

- Proper submission
 - Provide clear breakdown for each of the kitchen equipment including its cost, dimensions and locations, etc.
 - Provide relevant maintenance record and quotation



2. Estimates Combined into a Lump Sum without Relevant Breakdown

■ Example:

Description	Unit	Unit Rate	Amount
Supply and install stainless steel cooking equipments			
a) Gas Chinese cooking range w/ blower	1 set	\$22,200	\$22,200
b) Filter type exhaust hood, including all associated stainless steel ductwork, fan installation.	1 set	\$49,000	\$49,000
c) Gas Chinese steaming cabinet	1 no	\$25,000	\$25,000



3. Omission of Relevant Information such as Locations and Dimensions

- Example:

Description	Unit	Unit Rate	Amount
To replace all the pipes of the drainage and plumbing systems for the entire building	1 sum	\$271,880	\$271,880

- Proper Submission:

- Clear descriptions of the dimensions, quantities, unit rates, materials and locations are required
- Attach relevant drawings to indicate the locations and the design



3. Omission of Relevant Information such as Locations and Dimensions

- Example:

Description	Unit	Unit Rate	Amount
To replace all the pipes of the drainage and plumbing systems for the entire building			
1. 100mm dia. upvc pipe	296 m	\$280	\$82,880
2. 25mm dia. copper pipe	675 m	\$280	\$189,000



4. Inclusion of Non / Above-standard Items

- Examples:

- CCTV system;
- Auto-sensor water tap;
- Water closet with auto-flushing device; and
- Glass doors and electrical door locks, etc.





5. Inclusion of F&E Items

- Examples:

- Laundry equipment (e.g. washing machines, drying machines, hydro-extractor);
- Beds and curtains;
- Refrigerator, etc.

- Proper Submission:

- F&E items should not be included in the works





6. Insufficient Information to Justify the Necessity of the Works

- Example:

Description	Unit	Unit Rate	Amount
Application of waterproof coat to ground floor slab for dry areas	1 sum	\$600,000	\$600,000



6. Insufficient Information to Justify the Necessity of the Works

- Proper Submission:
 - Justifications (with relevant evidences provided, if any) for the special works are required
- Example:

Description	Unit	Unit Rate	Amount	Remarks
Application of Hardener to the existing floor (~1.5-3mm thickness) at G/F	750 m ²	\$600,000	\$600,000	There were cracks found at floor screed. [Evidence is attached]





7. Failure to Seek Consent from Relevant Authorities

- Example:
 - Installation of lifting platform, etc.

- Proper Submission:
 - Attach Buildings Department's letter granting support-in-principle, together with the LF application, for structural works





Engagement of Authorized Person (AP) / Consultant

- APs / Consultants may be employed to prepare design, tender documents and to supervise the project works for specific projects such as building or drainage works and engineer slope inspection (6.6.2)
- If the work is simple, the employment of an AP / Consultant is normally not considered





Engagement of Authorized Person (AP) / Consultant

- An amount not exceeding \$30,000 may be provided in the approved budget of successful applications for NGOs to reimburse an AP / Consultant for carrying out project estimation and preliminary design works for the purpose of lodging an LF application
- The actual amount supported will be determined by SWD in consultation with Arch SD





Step 4: Approval of an LF Grant

- Recommendation to the Lotteries Fund Advisory Committee
- Inform NGO of the LF grant by approval letter





Project Implementation

- Quotation and Tender Requirement: 6.2
- Tendering Procedure
 - For an AP / Consultant: Annex 6.4
 - For Works: Annex 6.2
 - For F&E: Annex 6.3





Common Problems in the Tender Documents for Works Contract

- Inconsistencies relating to Conditions of Contract and other parts of the tender documents such as Date for Possession, Date for Completion, etc.
- LAD calculations unclear or omitted





Common Problems in the Tender Documents for Works Contract

- Deviation between the Schedule of Rate and the SWD List of Supported Items
- Inclusion of brand names instead of generic description of products in the documents
- Insufficient number of proposed tenderers





Common Problems in Tender Returns

- Insufficient number of tender returns
- Failure to submit the tender documents of the 3 lowest tenders as stipulated in the LF Manual
- Failure to provide relevant document to substantiate the conclusion in the tender report
- Failure to submit NGO's & AP's declaration of conflicts of interest





Acknowledgement of LF Grants

- To publicize the welfare aspects of the LF, beneficiary NGOs are required to make general acknowledgement in their annual reports of the financial support they receive from the LF (7.2.1)





Acknowledgement of LF Grants

- Acknowledgement requirements (7.2.2):
 - For an LF grant to construct / renovate/ fit-out/ furnish a facility at an amount of \$1,500,000 or above, the beneficiary NGO will be required to install a commemorative plaque (sample as stated at Annex 7.1a)
 - For a vehicle (whether new / replacement) purchase with the support of the LF, beneficiary NGO will be required to paint on both sides of the vehicle with such words as “Donated by the Lotteries Fund” (sample as stated at Annex 7.1b)

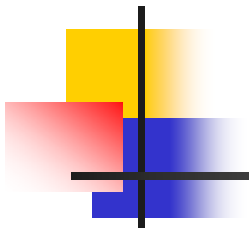




Exemption from the Acknowledgement to the LF

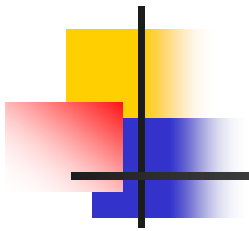
- NGOs can apply for exemption on very exceptional grounds
- They must be able to demonstrate or confirm that they have never acknowledged donation from similar activities (7.2.6)





Q & A





Thank You

