

Help Desk for Small NGOs Evaluation Report

I. Purpose

1. Help Desk for small NGOs, a time-limited service set up under SWD in October 2009 as recommended by the Lump Sum Grant Independent Review Committee (LSGIRC), was closed on 31.3.2012. This report seeks to review the achievement attained by Help Desk and to consolidate the experience gained for reference by small NGOs.

II. Objective of Help Desk

2. 41 NGOs met the criteria of “small NGOs” as defined by LSGIRC. Help Desk was tasked to assist small NGOs on a time-defined basis in the following ways (as stated in Paper LSGSC 8/2009) -
 - (i) to enhance small NGOs’ management capability so as to enable them to understand, interpret and follow accurately the Department’s subvention rules and regulations;
 - (ii) to monitor and advise on small NGOs’ financial management and internal control mechanism for cost-effective service;
 - (iii) to provide assistance and support for small NGOs to maintain and improve their ability to comply with the requirements as laid down in their respective funding and service agreements;
 - (iv) to monitor and advise on small NGOs’ effective use of any additional resources such as the Special One-off Grant, One-off Subsidy, additional grant as recommended by the LSGIRC and the Social Welfare Development Fund (SWDF), etc;
 - (v) to give advice and assistance for small NGOs in forming joint ventures for appropriate purposes such as in preparing for the bidding of new services of the Department (the team will, however, not be involved in the actual bidding to avoid any conflict of interest);
 - (vi) to assist and advise small NGOs on applications for external funds for additional resources on service improvement and expansion; and
 - (vii) to provide prompt assistance and advice on urgent matters in small NGOs’ administrations, etc.

III. Service Profile of Small NGOs

Service Type	Name of Service Unit (no. of units)	No. of Small NGOs operating the service
Elderly	Social Centre for the Elderly (18)	15
Family and Child Welfare	Occasional Child Care Service (12)	7
	Extend Hour Child Care Service (4)	3
	Suicide prevention service (1)	1
	Integrated Services for Street Sleepers (1)	1
Rehabilitation	Social & Recreational Centre for the Disabled (4)	4
	Early Education Training Centre (3)	3
	Integrated Programme (11)	7
	Supported Employment (3)	2
	On the Job Training for People with Disabilities (2)	2
	Day Activity Centre (1)	1
	Parents Resource Centre (1)	1
Youth	Drug Treatment and Rehabilitation Centre (2)	2
	Youth Centre (2)	2
	Children Centre (1)	1
	School Social Work (1)	1
	Community Service Networking Team (1)	1
No. of subvented service units	68 subvented service units provided by 41 small NGOs	

IV. Services Rendered by Help Desk

Work contacts with NGOs at board level and senior management level

- Through individual contacts such as friendly visits, office interviews and telephone contacts with the board and senior management of small NGOs, Help Desk obtained better understanding of their individual circumstances and explored their expectations and needs. Work plans catering to their situations and needs at both individual and overall levels were mapped out.
- During the afore-mentioned work contacts with small NGOs, Help Desk discussed with them the various management issues and provided them with management advice as appropriate, particularly in the financial management and human resource management (HRM) aspects. Such contacts effectively promoted small NGOs' understanding of SWD's subvention rules and practices, service performance requirements and various funding

sources.

Sharing sessions/workshops

5. To address the needs expressed by small NGOs to Help Desk, a series of sharing sessions/workshops were held for all small NGOs from April 2010 to February 2012 as follows -
 - (i) Sharing Session on SWDF and Lotteries Fund (LF);
 - (ii) Sharing Session on Financial Reporting and Subvention Inspection;
 - (iii) Sharing Session on Good Practice of Service Quality Standards and Handling of Complaints;
 - (iv) Sharing Session on Corporate Governance;
 - (v) Workshop on Financial Reporting & Subvention Inspection and Annual Progress Report on SWDF;
 - (vi) Workshop on New measures for Charitable Fund-raising Activities and Partnership Fund for the Disadvantaged (PFD); and
 - (vii) Sharing Session on HRM Strategy of Small NGOs.
6. In addition, small groups for NGOs operating similar services were conducted to provide them with a platform for sharing their practice wisdoms, enhancing their collaboration and networking. The NGOs were eager to share with each other about their practices and solutions to enhance service operation, and also their experience on application for funding. For example, one NGO shared about its newly developed computer system to keep statistics and records which were user-friendly and relatively low in cost. As a result, there was saving in administrative manpower and elevation of operational efficiency. Some NGOs showing interest in the system visited the NGO. Through the visit, they gained more in-depth understanding of the system.
7. NGOs considered that the sharing sessions/workshops/small group sharing helped them attain more thorough understanding of the subvention rules and practices, broaden their perspective to identify resources, obtain better understanding on the scopes and application procedures of different funds and feasible alternatives to save manpower resources on administrative work. Furthermore, their support network was strengthened.

Joint projects

8. Most small NGOs, having their own mission and vision, have reservation on joint projects. They preferred to maintain and develop their uniqueness. They considered that uniqueness of small NGOs could be one of the factors attracting people to join the organisation. On the other hand, they were open to the idea of running joint projects with other NGOs to achieve synergy where appropriate.

9. One NGO had shared its experience of applying for PFD with 6 other NGOs for running a territory-wide joint project. In addition, under SWDF, some small NGOs expressed willingness to apply for funding for a joint project. Through Help Desk's facilitation, four small NGOs grouped together to discuss their joint application for SWDF, effecting an application for a joint programme for staff training on professional development and networking as elaborated in paragraphs 19-20 below.

V. Key Achievements

Enhancement of NGOs' management capability – corporate governance and HRM [Objective (i)]

10. A Sharing Session on Corporate Governance was organised by Help Desk for Small NGOs. As reflected in the feedback forms, over 94% of the participants said that the sharing session could enhance their understanding on the composition, roles and responsibilities of the board management and corporate strategy.
11. One NGO Head, after joining the sharing session, attained better understanding on the differences between the office bearers of an unincorporated body under the Societies Ordinance (Cap.151) and the board members of a body corporate under the Companies Ordinance (Cap.32). The NGO considered that the latter would be more appealing to professionals from different sectors to join the organisation. This will enable them to achieve better corporate governance. Eventually, the NGO decided to change its registration status from under the Societies Ordinance (Cap. 151) to the Companies Ordinance (Cap. 32).
12. A sharing session on HRM was organised for issues including how to retain experienced staff and improve staff morale. As reflected in the feedback forms, over 98% of the participants said that the sharing session could enhance their understanding on HRM strategy. 95% of the participants said that the sharing could facilitate NGOs' formulation of HRM strategy and 93% opined that it could facilitate their effective implementation of HRM strategy. Most NGOs considered that the mutual sharing could stimulate each other to bring up more ideas on enhancing HRM of their organisations.
13. In the sharing session, some NGOs expressed creative ideas to boost morale in their organisations, for example, giving bonus to staff with good performance, offering extra paid leave to staff under different circumstances such as paternity leave, bereavement leave, etc. In addition, some NGOs said that being small in scale, it was easier for them to work together like a family and develop cohesiveness. There was close communication between supervisors, front-line staff and even the board. Some NGOs said that their board members paid visits to their service centres to serve as volunteers. In

their views, board members' recognition of staff's performance was a great encouragement.

Enhancement on financial management [Objective (ii)]

14. To facilitate small NGOs' compliance with the accounting requirements, financial reporting and internal control, two sharing sessions on Financial Reporting and Subvention Inspection were conducted. 92% of the participants commented that the workshop enhanced their understanding on the topics. With more understanding on the subvention rules and regulations and the importance of financial control, they were more confident to follow the requirements properly and better prepared for subvention inspections.

Facilitating NGOs to comply with the requirements as laid down in Funding and Service Agreements (FSAs) and Service Quality Standards (SQSs) [Objective (iii)]

15. Under LSGSS, performance of service units receiving Lump Sum Grant (LSG) is assessed based on the relevant funding and service agreements (FSAs) and the service quality standards (SQSs). Some small NGOs indicated that as they were not clear about the requirements, there was abortive work in preparing unnecessary documents.
16. Sharing Session on Good Practice of SQS and Surprise Visit was conducted. Over 96% of the participants commented that the sharing session enhanced their understanding on the topics. 90% of the participants considered the content useful in helping them implement SQSs and prepare for surprise visits. Participants also opined that experience sharing among NGOs on how to prepare SQSs documents and comply with the requirements were practical and useful.

Effective use of Additional Resources to Small NGOs [Objective (iv)]

17. Following the endorsement of Lotteries Fund Advisory Committee (LFAC) in July 2009, Additional Resources to Small NGOs were approved to eligible small NGOs to enable them to strengthen their administrative and professional support. The amount disbursed to each eligible small NGO was, as recommended by LSGIRC, a grant equivalent to 10% of its LSG, or \$300,000, whichever was the lower, annually for a period of four years from 2009-10 to 2012-13.^{Note} With the final year payment allocated to eligible

^{Note} As endorsed by LFAC on 14 July 2009, the eligibility of NGOs for the additional resources for small NGOs would be reviewed in late 2010. In 2009-10 to 2010-11, 41 NGOs were defined as small NGOs eligible for the additional resources. After the review, 36 of them were still within the definition of small NGOs eligible for the additional resources in 2011-12 and 2012-13.

small NGOs in 2012-13, a total of \$24 million was allocated to a total of 40 eligible small NGOs for the four years. As envisaged by LSGIRC, small NGOs should be able to develop, improve their financial positions and remain competitive upon the expiry of the funding period.

18. NGOs receiving the grant are required to use the resources for the specified purposes within the designated period. As reported by NGOs, the grant was used for the following purposes -

	Use of the Fund	Amount spent in 2009-10 and 2010-11 (\$)
(a)	employing suitable administrative personnel to strengthen their administration competence	3,562,641
(b)	retaining dedicated administrative staff in the organisation with a view to improving the existing service delivery and service quality	1,652,205
(c)	procuring or organising training courses to enhance staff's knowledge and competence on financial and HRM	314,477
(d)	implementing one-off HRM initiatives, organisational restructuring and/or service reengineering to increase the organisational efficiency and better meet the changing welfare needs of society	1,120,723
(e)	implementing other initiatives which can enable small NGOs to strengthen their administrative and professional support as agreed by SWD	318,796
	Total amount spent in 2009-10 and 2010-11	6,968,842

Encouraging collaborative effort and forming joint ventures among NGOs
[Objective (v)]

19. NGOs were encouraged to step up collaborative effort, e.g. promoting their networking, pooling of resources for shared use etc. to achieve synergy and further the organisational development. Eventually four small NGOs submitted a joint application for SWDF to organise a joint staff training on professional development and networking. They applied for a total of \$60,000 for the project, benefitting around 60 staff and board members.
20. The participating NGOs said that through pooling of the approved SWDF, they had better financial capacity to engage a more experienced and effective trainer to run the programmes. They found the brainstorming during the preparatory stage to the sharing among staff of different NGOs during the training programmes were inspirational and beneficial to the development of both the staff and NGOs. In addition, their support network was built up in the process. The participating NGOs expressed positive feedback on the

SWDF joint project, and some of them also considered making joint application again in the coming phases of SWDF.

Assist and advise small NGOs on applications of different outside funds for additional resources on service improvement and expansion [objective (vi)]

21. To empower small NGOs to develop their services, a sharing session on SWDF and LF and a workshop on new measures for charitable fund-raising activities and PFD were held. About 90% of the participants commented that both the sharing session and the workshop could enhance their understanding on the funding requirements and facilitate their preparation of the applications. Under Phase 1 of SWDF, a total of \$16,180,106 was approved for 28 small NGOs to conduct training and professional development programmes, business system upgrading projects and studies for enhancing subvented NGOs' service delivery.
22. Resource input from other sources was noted among small NGOs as helpful for furthering the development of the organisational mission and goal while complementing the services they delivered. In the above workshop, some NGOs generously shared their experience in preparing for the PFD applications including planning of proposals, points to note for identifying and connecting with business partners, ways to sustain the continuous support of the business partners etc. Their experience was found insightful and encouraging to small NGOs.
23. In addition, one NGO with one service unit providing rehabilitation service to children, having close cooperation with a non-subvented NGO providing rehabilitation service to adults, mentioned its experience of sharing resources of paramedical professionals. Both are single-unit NGOs which needed to employ a full-time physiotherapist and clinical psychologist. By their joint efforts, they effectively recruited suitable candidates to serve both organisations to step up the service provision to users.

VI. Remarks and Way forward

24. With the provision of Help Desk service, NGOs' understanding on subvention rules and requirements was enhanced. The awareness of board members on their roles and the importance of corporate governance was improved. Furthermore, Help Desk provided a platform for sharing of good practices as well as networking among NGOs. Small NGOs were strengthened by gaining mutual support with each other. The joint application for SWDF was one of the examples of achieving synergy through joint projects among small NGOs.
25. While Help Desk's specific functions were ceased upon closure of the Help Desk on 31 March 2012, Subventions Section continues the liaison function

for small NGOs, rendering one-stop service to them when assistance is needed. Small NGOs continued to receive funds under the Additional Resources to Small NGOs for the final year, i.e. 2012-13.

26. As some NGOs say, “small is beautiful” and “small organisations enjoy their flexibility, cohesiveness and uniqueness.” Admittedly, small NGOs have less flexibility than medium to large NGOs in redeployment of resources due to the constraints in scale. That said, they may have more flexibility than the latter in terms of making changes. The sharing by small NGOs in paragraph 13 above are some examples demonstrating how small NGOs may build up their team cohesiveness.
27. Small NGOs, having their own mission and vision, may have reservation to form alliances due to their differences in mission and vision. Nonetheless, it is hoped that the fruitful experience of collaborating and networking with other NGOs and the synergy achieved as mentioned in the report will encourage small NGOs to consider taking further steps along this path. Looking forward, small NGOs having gained such experience should be able to make continuous improvement on their corporate governance, HRM and financial management.

Subventions Section
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