

Funding and Service Agreement¹

(Lump Sum Grant)

Relief and Assistance

I Service Definition

Introduction

The supplementary relief service of the Service Operator provides a range of relief service to complete and complement the existing relief service provided by the Social Welfare Department (SWD) in the local community.

Purpose and Objectives

2. The relief service is to offer victims of natural disasters or critical incidents; and other needy persons who are desperately in need of tangible assistance in terms of relief materials to help them through the most critical period.

Service Nature and Contents

3. As a complement to the emergency relief service provided by the SWD, the Service Operator distributes emergency clothing to victims of natural disasters or critical incidents, and in addition, some useful daily commodities such as blankets, pillows, towels, shampoo, bathing gels, toothpaste, toothbrushes, mugs and slippers to other needy persons.

Target Service Users

4. Either upon the initiative of the Service Operator or at the request of the SWD in times of urgent need, the target service users include:

- the victims of natural disasters or critical incidents such as fire, flood, landslide, typhoon, rainstorm, house collapse, boat capsize, shipwreck, etc. and the evacuees of buildings and premises considered to be dangerous under Closure Orders; and
- other needy persons such as street-sleepers, discharged patients, patients in hospitals and refugees

¹ This Funding and Service Agreement is a sample document for reference only.

II Service Performance Standards

5. The Service Operator will meet the following service performance standards.

Essential Service Requirements

6. To maintain a ready stock of 2,000 T-shirts/shirts, 2,000 trousers, 2,000 underwear, 1,200 outerwear, 200 blankets, 200 pillows, 2,000 piece of towels, 500 shares of toothpaste, 500 shares of toothbrushes, 500 shares of bathing gels and 500 shares of shampoo.

Service Outputs

7. The frequency of service delivery hinges on the number of occurrence of natural disaster or critical incident; and the request from the needy persons.

Service Output Standard	Service Output Indicator	Agreed Level
1	Rate of service delivery completed within 24 hours from the time of receipt of referrals of emergency relief service	100%

Service Outcomes

Service Outcome Standard	Service Outcome Indicator	Agreed Level
1	Rate of satisfaction of the referral agencies towards the overall complementary emergency relief service provided by the Service Operator (Note 1)	80%
2	Rate of satisfaction of the referral agencies towards the relief materials (including emergency clothing and some useful daily commodities) purchased and provided by the Service Operator. (Note 2)	80%

(Explanations of the Notes are provided at the end of this Agreement)

Essential statistics (for reference only)

- number of distributions
- number of beneficiaries
- amount of clothing and daily commodities issued

Service Quality Standards

8. Service Operators will meet the requirements of the 16 Service Quality Standards (SQSs).

III Obligations of the SWD to Service Operators

9. The SWD will undertake the responsibilities set out in the General Obligations of the SWD to Service Operators as specified in the Funding and Service Agreement Generic Sections.

10. In addition, the SWD will meet the following service-specific standards of performance. The actual performance of the department in relation to these obligations is expected to affect the ability of the Service Operation to meet its own required standards of performance.

- to notify the Service Operator within 24 hours if a complement to the relief service is required whenever the SWD is called for emergency relief service

IV Basis of Subvention

11. The basis of subvention is set out in the offer and notification letters issued by the SWD to the Service Operator.

Funding

12. An annual subvention will be allocated on the Lump Sum Grant (LSG) mode to the Service Operator for a time-defined period. This lump sum has taken into account personal emoluments, including provident fund for employing registered social workers, qualified professionals and supporting staff, and other charges (covering all other relevant operating expenses including employees' compensation insurance and public liability insurance, etc.) applicable to the operation of the service, and recognised fee income, if any. Rent and rates in respect of premises recognised by the SWD for delivery of the subvented activities will be reimbursed separately on an actual cost basis.

13. In receiving the LSG, the Service Operator is accorded flexibility in the use

of the subventions but required to observe the guidelines set out in the latest LSG Manual, LSG Circulars, other guidelines, management letters and correspondence issued by the SWD on subvention policies and procedures, whichever is applicable, as well as the relevant Guidance Notes for specific services. The LSG will be subject to adjustments including salary adjustments in line with civil service pay adjustments and other charges in line with the price adjustment factor (currently the Composite Consumer Price Index). The Government will not accept any liabilities or financial implication arising from the service beyond the approved funding.

Payment Arrangement, Internal Control and Financial Reporting Requirements

14. Upon the Service Operator's acceptance of the FSA, payment of the LSG subventions will be made on a monthly basis.

15. The Service Operator is responsible for maintaining an effective and sound financial management system, including budget planning, projection, accounting, internal control and auditing. It should maintain proper books and records and supporting documents on income and expenditure relating to the service and make them available for inspection by the Government representative.

16. The Service Operator shall submit to the SWD the Annual Financial Report (AFR) as reviewed and the annual financial statements of the NGO as a whole as audited by a certified public accountant holding a practising certificate as defined in the Professional Accountants Ordinance (Chapter 50) and signed by two authorised representatives of the NGO, i.e. Chairperson / NGO Head / Head of Social Welfare Services in accordance with the requirements as stipulated in the latest LSG Manual. The AFR should be prepared on a cash basis and non-cash items such as depreciation, staff leave accrual, etc. should not be included in the AFR.

Corruption Prevention and Probity Requirements

17. It is the responsibility of the Service Operator to ensure that its management, board members and staff comply with the Prevention of Bribery Ordinance (Cap. 201) and the relevant requirements. The Service Operator shall prohibit the members, staff, agents, and contractors from offering, soliciting or accepting advantages when discharging their duties under the FSA. With regard to the provision of the subvented services, the Service Operator shall avoid and declare any conflict of interest.

18. The Service Operator should also make reference to the relevant guidelines on corruption prevention and probity requirements to uphold integrity in every

aspect, including but not limited to the governance structure, internal control, financial/fund management, procurement, staff administration, delivery of services/activities, management of maintenance works as set out in the “Corruption Prevention Guide on Governance and Internal Control for Non-Governmental Organisations” and the “Integrity and Corruption Prevention Guide on Managing Relationship with Public Servants” issued by the Independent Commission Against Corruption.

V Validity Period

19. This FSA is valid for a time-defined period. Should the Service Operator be in breach of any terms of condition of this FSA and fail to remedy the same in such manner and within such time as shall be specified in a written notice from the SWD, the SWD may after expiry of such notice, terminate this FSA by giving 30 days’ notice in writing to the Service Operator.

20. Where there is any change to the performance standards within the agreement period, the SWD will seek mutual agreement with the Service Operator and the Service Operator will be required to achieve new requirements in accordance with the specified implementation schedule.

21. Continuation of service for the next term will be subject to the relevant considerations such as the prevailing policy directive, service needs and the performance of the Service Operator. The SWD reserves the right to reallocate the service.

22. The SWD may immediately terminate the FSA upon the occurrence of any of the following events –

- (a) the Service Operator has engaged or is engaging in acts or activities that are likely to constitute or cause the occurrence of offences endangering national security or which would otherwise be contrary to the interest of national security;
- (b) the continued engagement of the Service Operator or the continued performance of the FSA is contrary to the interest of national security; or
- (c) the SWD reasonably believes that any of the events mentioned above is about to occur.

VI Other Reference

23. Apart from this FSA, the Service Operator should also comply with the

requirements / commitments set out in the Service Specifications, the Service Operator's proposal and supplementary information, if any. Where these documents are in conflict, this FSA shall prevail. The Service Operator's compliance with all these documents will be closely monitored by the SWD.

Explanatory Notes

Note 1 (i) **Rate of satisfaction of the referral agencies towards the overall complementary emergency relief service** provided by the Service Operator is measured annually by the designated questionnaire.

(ii) The calculation of **Rate of satisfaction of the referral agencies**

$$= \frac{\text{No. of referral agencies indicated "satisfactory" or "very satisfactory" towards their overall complementary emergency relief service in the designated questionnaire}}{\text{Total no. of designated questionnaire completed by referral agencies*}} \times 100\%$$

*The questionnaires collected shall reach not less than 80% of the total number of all emergency relief referrals received in a year as at end of March of the reporting year.

Note 2 (i) **Rate of satisfaction of the referral agencies towards the relief materials** purchased and provided by the Service Operator is measured annually by the designated questionnaire.

(ii) The calculation of **Rate of satisfaction of the referral agencies**

$$= \frac{\text{No. of referral agencies indicated "satisfactory" or "very satisfactory" towards the relief materials in the designated questionnaire}}{\text{Total no. of designated questionnaire completed by referral agencies*}} \times 100\%$$

*The questionnaires collected shall reach not less than 80% of the total number of all emergency relief referrals received in a year as at end of March of the reporting year.