

**Conditions for the Use of Block Grant for 2025-26
for Replenishment of Furniture and Equipment and Minor Works
for Existing Premises
Providing Welfare Services
Subvented by the Social Welfare Department**

When utilising the Block Grant (BG), all non-governmental organisations (NGOs) must follow the procedures and comply with all the relevant requirements as set out in Chapter 1 (on general issues), Chapter 4 (on ambit and eligibility, allocation, payment and control), Chapter 6 (on procurement and stores management) and Chapter 7 (on acknowledgement of Lotteries Fund (LF), if applicable) of the prevailing LF Manual.

2. NGOs are particularly reminded that the following items and scope of expenses **should not** be charged to BG –

- a) service units not under the subventions of the Social Welfare Department (SWD);
- b) service units to be closed down or no longer subvented within the next three years (i.e. during 2025-26 to 2027-28);
- c) works of service units which are scheduled to be reprovisioned within the next three years (i.e. during 2025-26 to 2027-28);
- d) services obtained by NGOs through contracting with SWD that are not governed by subvention rules;
- e) recurrent expenses or their capitalisation such as repair and maintenance of F&E items, e.g. air-conditioners, washing machine and drying machine, maintenance of gas / fire services installations;
- f) minor works / F&E items which have been covered by recently approved LF grants or LF applications under vetting;
- g) works in respect of non-premises-tied service units, such as Occasional Child Care Service, Supported Team for the Elderly, Integrated Programme for Mildly Disabled Children, Supported Employment Programme, etc.;
- h) minor works project each costing **\$500,000 or above** for individual service unit;
- i) minor works for premises fitted out or renovated within the recent five years (i.e. during 2020-21 to 2024-25) counting from the practical completion date;
- j) fitting-out works for new / reprovisioned premises or in-situ expansion;
- k) conversion of the existing premises as a result of in-situ expansion or addition / reduction of space provided for the existing service unit;
- l) engineer slope investigation / remedial works;
- m) non-standard works items such as changing the schedule of accommodation without prior approval of SWD;
- n) F&E items each **exceeding \$50,000**;
- o) F&E items which have been purchased with allocations from LF within the recent five years (i.e. during 2020-21 to 2024-25);

- p) ad-hoc F&E requirements for new / reprovisioned premises or in-situ expansion;
- q) procurement / replacement of vehicles; and
- r) implementation of information technology (IT) projects, such as enhancement / development / re-development of IT infrastructure / system.

3. NGOs are allowed to flexibly utilise the BG allocation and reserve to purchase furniture and equipment that are not listed in the “Reference Furniture and Equipment Lists” (“F&E Lists”) for their existing premises providing SWD-subvented welfare services according to the conditions stated in paragraph 2 above. NGOs do not need to seek SWD’s prior approval for doing so. The “[F&E Lists](#)” on this Department’s website are for reference only, they are intended for NGOs that require guidance.

4. NGOs should ensure the compliance with paragraph 6.3.4(a) of the LF Manual that the procurement matters interpret quotation / tender limits strictly and they do not evade the limits by dividing procurement requirements into instalments or by reducing the usual duration of contract. The onus of ensuring BG to be spent on items within the ambit rests solely with NGOs. SWD may conduct surprise audit of NGOs’ accounts to check their compliance.

5. NGOs will have to absorb any additional recurrent expenditure arising from the use of BG. If NGOs choose to go for above-standard items, neither SWD nor the LF would accept any liability, recurrent or capital, arising therefrom, including but not limited to any subsequent replacement of these items or the additional recurrent requirements arising from the use of such items.

6. The above conditions prevail till any update and revision of LF Manual are issued by Social Welfare Department within 2025-26.

Lotteries Fund Projects Section
Social Welfare Department
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