

Our Ref. : (X) in SWD/LFPS/23/69/159A/65
Tel. No. : 2832 4329 / 2832 4322
Fax No. : 2151 0573

Lotteries Fund Projects Section
36/F, Dah Sing Financial Centre
248 Queen's Road East
Wan Chai, Hong Kong

By email only

14 April 2025

To: Chairpersons / Heads of Non-governmental Organisations (NGOs)
applying for Block Grant for 2025-26

Dear Sir / Madam,

**Allocation from the Lotteries Fund for
Block Grant for 2025-26**

<Name of NGO>
(Grant Code:)

I am pleased to inform you that a Block Grant (BG) of \$ for 2025-26 has been approved for your organisation.

Acceptance of BG Allocation

2. To confirm your acceptance of the above BG allocation for 2025-26, please complete and return the enclosed acknowledgement slip at **Annex 1** on or before **25 April 2025**. Please note that the BG will be disbursed to your organisation in four equal instalments on a quarterly basis within the financial year. Action will be taken to effect the first payment after receipt of your return.

Conditions for the Use of BG

3 The main conditions for the use of BG are set out in **Annex 2 for your attention and compliance**. Please ensure that these conditions and other related requirements in the prevailing Lotteries Fund (LF) Manual are complied with. The BG may be reclaimed fully or partly by this Department if your organisation fails to meet any of the relevant conditions.

Submission of Audited Financial Statement and Schedule of Use by 31 October 2026

4. According to paragraphs 4.4.3 and 4.4.4 of the prevailing LF Manual, your organisation is required to prepare an audited financial statement for the year ending 31 March 2026 in the format specified in **Appendix A to Annex 2**. A schedule about details of the use of BG in 2025-26 in the format of **Appendix B to Annex 2** should also be attached to the audited financial statement. These two documents should be submitted to the Finance Branch of this Department **no later than 31 October 2026**. You are reminded that if an NGO fails to meet this requirement, this Department may withhold the disbursement of the BG or may reserve the right to retrieve the allocated BG from the NGO.

Safeguarding National Security

5. Your organisation should exercise professional judgement, sensitivity and prudence in assessing any potential national security risks or issues that may be involved in every stage of the procurement. In making procurement by using public resources, including allocations from the LF, NGOs should take into account their duty to safeguard national security and not to engage in any acts or activities which endanger national security. **The duty of the NGOs to safeguard national security is a continuing one that subsists throughout every stage of the entire procurement process, including the pre-contract award stage and the contract management stage after contract award.** Specific clauses to allow disqualification of tenderers and termination of contracts in the interest of national security should be introduced in the contracts for procurement.

Changes in Administrative Arrangements

6. To enhance the flexibility of the use of BG and to streamline the administrative procedures, the following administrative arrangements for BG will be implemented **with immediate effect** -

- (a) 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-subsvented welfare services according to the conditions at Annex 2. 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; and
- (b) NGOs are allowed to keep the unspent balance of the BG together with other LF grants, Lump Sum Grant Subvention and other subventions from this Department in one interest-bearing Hong Kong Dollar account with a bank licensed in Hong Kong. However, NGOs must separately account for and record the use of BG as per the prevailing requirement as stipulated in paragraph 4 above.

Way Forward

7. This Department would update the relevant paragraphs of the LF Manual to incorporate the abovementioned changes in administrative arrangement and any other updates/changes to be implemented in due course. In addition to this allocation letter, you are reminded to observe the **prevailing** LF Manual which is available on the SWD Homepage while using allocations from the LF.

Enquiries

8. If you have further enquiries regarding the allocation, payment and use of BG for 2025-26, please contact the following officers –

Payment matters

Lotteries Fund Unit, Finance Branch

Telephone number

2961 7502 or 2961 7238

Other enquiries

Lotteries Fund Projects Section, Subventions Branch

Ms Cecilia TSANG, Social Work Officer (LF)1	2832 4328
Miss Elena LI, Executive Officer II (LF)1	2832 4325
Thomas LAU, Executive Officer II (LF)2	2153 2711
Matthew LAW, Executive Officer II (LF)7	3108 2140

Yours faithfully,

Signed

(Ms Emily HO)
for Director of Social Welfare

Encl.

- Annex 1** Acknowledgement Slip of Approval Letter for Block Grant Allocation for 2025-26
- Annex 2** Conditions Pertaining to the Use of Block Grant for 2025-26 (included Appendixes A and B to Annex 2)