

**Reference List of Recognised and Non-Recognised Items  
under Lump Sum Grant (LSG)/LSG Reserve  
(as at 28 April 2025)**

**1. Recognised Items under Lump Sum Grant (LSG)/LSG Reserve**

<b>I</b>	<b>Personal Emoluments</b>
<b>(A)</b>	<b>Salaries</b>
	1. Relief worker salaries
<b>(B)</b>	<b>Provident fund (PF) contribution</b>
<b>(C)</b>	<b>Salary-related allowances</b>
	1. Allowances <sup>1</sup> such as relief allowance, training allowance, housing allowance, travel allowance
	2. Bonus
	3. Fringe benefits
	4. Severance payment and long service payment not covered by the Subsidy Scheme for Abolition of MPF Offsetting Arrangement under the Labour Department
<b>II</b>	<b>Other Charges</b>
<b>(A)</b>	<b>Utility charges</b>
	1. Electricity
	2. Gas & fuel
	3. Water and sewage
<b>(B)</b>	<b>Food (including food for service users)</b>
<b>(C)</b>	<b>Administrative expenses</b>
	1. Telephone and fax
	2. Internet/Broadband services
	3. Postage/courier
	4. Advertising
	5. Audit fees
	6. Cleansing expenses
	7. Bank charges for autopay of salaries
	8. Registration fees under the PF scheme
	9. Actuarial study consultant service fee
<b>(D)</b>	<b>Store and equipment</b>
	1. Printing & stationery
	2. Newspaper and periodicals
	3. Cleansing materials
<b>(E)</b>	<b>Minor repair and maintenance</b>

<b>(F)</b>	<b>Special allowances</b>
	1. Incentive allowance for sheltered workers
	2. House-parent allowance for small group home
<b>(G)</b>	<b>Programme expenses</b>
	1. Souvenirs for volunteers in support of Funding and Service Agreement (FSA) services and/or FSA-related activities
<b>(H)</b>	<b>Transportation and travelling</b>
	<i>Vehicle expenses (for SWD funded vehicles &amp; donated vehicles providing FSA services and/or FSA-related activities)</i>
	1. License fees
	2. Insurance
	3. Repair and maintenance
	4. Petroleum and fuel charges (including electric charging expenditure)
	5. Parking fee
<b>(I)</b>	<b>Insurance</b>
	1. Employees' Compensation Insurance
	2. Public Liability Insurance
	3. Staff medical insurance
	4. Insurance relating to SWD's recognised premises/areas (such as damage/loss due to fire, water, burglar)
	5. Deductible for insurance scheme <sup>2</sup>
<b>(J)</b>	<b>Miscellaneous</b>
	1. Sundry expenses
	2. Staff training
	3. Medical expenses (staff reimbursement claims, purchase of supplies or other sundry expenses)
	4. Staff uniform
	5. Bedding, laundry charges, toys
	6. Kitchen Equipment
	7. Accommodation-related expenses for SWD's recognised premises/areas including deposit <sup>3</sup> , commissions fee <sup>3</sup> and stamp duty arising from tenancy agreement

1 Applicable to expenses for imported care workers under the Special Scheme to Import Care Workers for Residential Care Homes such as accommodation related expenses including rental, deposits<sup>3</sup>, furniture and equipment; agency fees<sup>3</sup>.

2 NGOs management should ensure that such expenditure will not cause any financial difficulty to the NGO or pose any adverse effect on the provision of service and the interest of service users.

3 NGOs should return the deposit to LSG or LSG Reserve when the tenancy agreement ends; and payment of commissions should be paid on a reasonable level, with reference to the market rate and practices, as appropriate.

## **2. Non-recognised Items under Lump Sum Grant(LSG)/LSG Reserve**

1.	Loan interest
2.	Bank overdraft interest
3.	Penalty and fines, such as surcharge on late payment of MPF contributions and rates and penalty for illegal parking
4.	Compensation charge (e.g. on traffic accident)
5.	Non-cash items (e.g. depreciation on fixed assets, exchange difference, bad debt and write-off of asset/inventory)

- \* **the above items are not exhaustive and will be updated as appropriate.**
- \* **when utilising the LSG/LSG reserve for the above items, NGOs must adhere to the relevant requirements set out in the prevailing Social Welfare Services Lump Sum Grant Subvention Manual.**