

Education Bureau Circular No. 20/2019

From: Permanent Secretary for Education To: Supervisors and heads of aided schools (including special schools), government schools, caput schools and schools under the Direct Subsidy Scheme

Ref: EDB(SBM)/F&A/45/18/3(2)

Date: 1 August 2019

School-based Management Top-up Grant

Summary

This circular informs schools of details on the disbursement of the School-based Management Top-up Grant (Grant).

Background

2. In November 2017, the Education Commission set up the Task Force on School-based Management Policy (Task Force)¹ to study the implementation of school-based management (SBM) policy in aided schools and on the basis of the study findings, recommend support measures for the optimisation of SBM. Among the recommendations made, the provision of additional manpower at the Executive Officer rank and additional resources for schools/IMCs to reduce the administrative workload of teachers and principals and strengthen support for IMCs are unanimously supported by the education sector and stakeholders. Thus, the Government accepted such recommendations, and the Chief Executive announced in the 2018 Policy Address that starting from the 2019/20 school year, public sector schools and schools under the Direct Subsidy Scheme (DSS) would be provided with additional resources. Apart from the additional administrative manpower², additional funding will be provided to support schools in enhancing the operation of their management committees (MCs)/IMCs/school management committees (SMCs) and strengthening diversified training for school managers/SMC members to facilitate stakeholders' participation in school governance.

Details

Disbursement arrangements

3. Starting from the 2019/20 school year, each public sector school will be provided with the Grant as recurrent funding at a rate of \$50,000 per annum. The rate of the Grant is subject

¹ The Task Force issued its [Review Report](#) on 8 July 2019 and put forward 27 specific recommendations for the reference of the Education Bureau (EDB), school sponsoring bodies (SSBs) and incorporated management committees (IMCs).

² For details of the "One Executive Officer for Each School" Policy, please refer to the relevant circular memorandum issued by EDB.

to adjustment in accordance with the June-on-June movement of the Composite Consumer Price Index each year. For DSS schools, the Grant will be subsumed in the DSS unit subsidy rates.

4. The Grant will be included in the Special Domain of the Operating Expenses Block Grant (OEBG)/ the School Specific Grant under the Expanded Operating Expenses Block Grant (EOEBG) for aided schools. The Grant will be disbursed to aided schools with IMCs in four instalments in September, November, February and May each year, and to aided schools without IMCs in one lump sum in August each year. For government schools, the Grant will be put under the Expanded Subject and Curriculum Block Grant (ESCBG) and disbursed in the form of budget allocation in two batches in September and April of each school year. In respect of caput schools, the Grant will be disbursed in one lump sum in August each year.

Usage and financial arrangements

5. Schools are advised to, on a need basis, deploy the Grant flexibly to (i) support the operation of their MCs/IMCs/SMCs and (ii) strengthen training for school managers/ SMC members (Guidelines on the Use of the Grant are at Annex). Since the Grant is purpose-specific, schools should only use the Grant to meet the expenses on the two areas specified. Schools should manage their finances in a prudent manner. If a deficit is incurred, aided and caput schools can top up the Grant by deploying the surplus under the General Domain of OEBG/EOEBG (applicable to aided schools) or the surplus under the Fee Subsidy (applicable to caput schools). If there remains unsettled deficit after topping up, it has to be met by the schools' own funds/non-government funds. Government schools may deploy the surplus under the ESCBG to cover any deficit if required.

6. For accounting and auditing purposes, aided and caput schools are required to keep a separate ledger account to record all incomes and expenditures chargeable to the Grant for reporting as required (if necessary). Government schools should observe relevant regulations and requirements laid down by the Government, and charge all expenditures of the Grant to the user code assigned. The Grant is financial year-based and the expenditures should not exceed the allocation in the respective financial year.

Surplus retention and clawback arrangements

7. Schools should put the Grant to good use in the respective school year/financial year to facilitate the smooth operation of their MCs/IMCs/SMCs and enhance the effectiveness of school governance. Nevertheless, schools may retain surplus of the Grant on reasonable grounds. Detailed arrangements are as follows:

- (i) Aided schools are subject to the established arrangements for OEBG/EOEBG.
- (ii) Government schools are subject to the established arrangements for ESCBG.
- (iii) Caput schools may retain an amount of unspent balance up to 12 months' provision of the Grant disbursed for the school year concerned. Any surplus in excess of the cap should be returned to EDB according to the schools' annual audited accounts. Transfer of funds and/or unspent balance out of the Grant is not allowed.

Administrative and other arrangements

8. Schools may procure the services required from service providers, including SSBs, under the established procedures. For matters related to service procurement, please refer to the School Administration Guide and relevant circulars and guidelines issued by EDB (if applicable). Government schools should comply with the procurement requirements imposed by the Government. To ensure proper use of the Grant, schools should, in light of actual needs and objectives, devise plans for the use of the Grant and seek endorsement from their MCs/IMCs/SMCs. Schools should also observe relevant requirements by properly keeping expenditure records and preparing accounts for inspection purposes.

Enquiries

9. For general enquiries about the Grant, please contact the School-based Management Section on 3509 8474.

Benjamin YUNG
for Permanent Secretary for Education

Encl.

c.c.: Heads of Sections – for information

Guidelines on the use of the School-based Management Top-up Grant

MCs/IMCs/SMCs can flexibly use the Grant for the following purposes:

1. Supporting the operation of MCs/IMCs/SMCs to enhance the effectiveness of school governance, for example:
 - Procuring legal advisory services to establish/revise school-based codes of ethics, amend IMC constitutions, review school policy mechanisms, etc. (inapplicable to government schools).
 - Procuring advisory services on financial management (inapplicable to government schools).
 - Procuring consultancy services on human resource management.
 - Running elections of school managers/SMC members.
 - Maintaining liaison with stakeholders.

2. Strengthening training to better equip school supervisors/school managers/SMC members with the necessary knowledge, skills and attitudes, so as to achieve synergy and put in place checks and balances in school governance, for example:
 - Organising school-based, joint-school or SSB-based diversified training (e.g. seminars, workshops, learning circles/discussion groups of SSBs and exchanges among different SSBs) for school managers/SMC members to meet the soft training targets recommended by the Task Force for school supervisors and managers³.
 - Engaging service providers/speakers to organise training activities/programmes related to school governance with reference to the information provided on the EDB's SBM webpage.

³ The soft training targets recommended by the Task Force for school supervisors and managers of schools with IMCs are outlined as below:

- Newly registered school supervisors, irrespective of whether they have served as a manager in the same school or other school(s) before assuming the role of supervisor, should receive at least a total of six hours' training within the first year of their tenure.
- Newly registered school managers should receive at least a total of three hours' training within the first year of their tenure. A person who has served as a manager, irrespective of category, in a school with an IMC is not considered a newly registered school manager.
- Serving/re-nominating school supervisors/managers should receive at least two-hour training each year.

Please refer to the [Review Report](#) of the Task Force for details. MCs/IMCs/SMCs should keep records on the training activities/programmes and the number of training hours of school managers/ SMC members, conduct a timely review in light of actual circumstances and needs, and discuss with SSBs for necessary adjustment.

The Grant should not be deployed to serve the following purposes as they are not within the prescribed ambit:

- Employing teaching or non-teaching staff.
- Disbursing special/additional allowances for teaching or non-teaching staff.
- Subsidising teaching and non-teaching staff's participation in professional development programmes.
- Organising training activities/programmes irrelevant to the operation of MCs/IMCs/SMCs.
- Purchasing non-standard items (e.g. a container for conversion into an activity room or other equipment for the use of school managers).
- Purchasing standard or non-standard furniture and equipment.
- Meeting expenses for schools' publicity and promotional activities (e.g. expenditures on posters, banners, presents, souvenirs and prizes).
- Meeting expenses for food and beverages, banquets, etc.
- Purchasing equipment or tools for discharging clerical duties, etc.
- Purchasing mobile computing devices/electronic devices or computer software for general purposes.