

## **EDUCATION BUREAU CIRCULAR MEMORANDUM NO. 9/2023**

From : Permanent Secretary for Education      To : Supervisors and Heads of Kindergartens,  
Kindergarten-cum-Child Care Centres  
and Schools with Kindergarten Classes

Ref. : EDB(KGA)/KGES/3/1(3)

Date : 4 April 2023

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### **Rental Subsidy Under the Kindergarten Education Scheme in the 2023/24 School Year**

#### **SUMMARY**

This circular memorandum sets out the eligibility, application procedures, usage and disbursement arrangement of the rental subsidy under the Rental Subsidy Scheme (RSS) and invites application from kindergartens, kindergarten-cum-child care centres and schools with kindergarten classes (hereafter collectively referred to as KGs) approved to join the Kindergarten Education Scheme (Scheme) for rental subsidy under RSS in the 2023/24 school year. This circular should be read in conjunction with [Education Bureau \(EDB\) Circular No. 7/2016](#) dated 20 July 2016.

#### **DETAILS**

##### **Background**

2. KGs approved to join the Scheme (Scheme-KGs) are provided with direct subsidy in the form of a basic half-day (HD) unit subsidy and additional subsidy for whole-day (WD) and long whole-day services. This subsidy covers expenses on salaries for teaching and non-teaching staff and other operating costs. In addition, school-specific grants, namely premises maintenance grant, grant for a cook and grant for support to non-Chinese speaking students are also provided to cater for the special circumstances of individual KGs or students. Rental subsidy is also provided under RSS for eligible Scheme-KGs in order to lessen KGs' rental-related financial burden.

## **Eligibility**

3. Only Scheme-KGs operating in rented premises under tenancy agreements are eligible for rental subsidy. Scheme-KGs can only be eligible for either rental subsidy or premises maintenance grant for the school premises concerned.

## **Usage**

4. All Scheme-KGs should spend the rental subsidy solely on rental expenditure for students of the KG section/classes offering local curriculum<sup>1</sup>. Any rental expenditure of non-school portion should not be included.

## **Amount of Subsidy**

5. For accountability and effective use of public resources, the rental subsidy to KGs will not cover their full rental cost because of (i) low fill-up rate (details to be set out in paragraph 6(i) below); (ii) “dual caps” (details to be set out in paragraph 6(iii) below); and/or (iii) the rental cost exceeding the market rent as assessed by Rating and Valuation Department (RVD). The difference between the actual rental expenditure and the rental subsidy under (i) and (ii) can be charged to the subsidies under the Scheme and/or school funds. For (iii), the rental cost exceeding the market rent as assessed by RVD, which will be made known to KGs in due course, should not be charged to the subsidies under the Scheme, nor will be recognised for school fee assessment. It should be borne by school funds (except school fees). In this regard, the KGs concerned are once again reminded to draw up concrete plans as early as possible to ensure that they can maintain a sound financial situation and operate smoothly. If individual KGs have special circumstances, please put them forward to their respective Senior School Development Officers or Senior Services Officers.

6. The amount of rental subsidy may vary by the specific circumstances of individual Scheme-KGs. Details are set out as follows:

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<sup>1</sup> Only eligible students under the Scheme are included. Eligible students refer to students holding a valid “Registration Certificate for Kindergarten Admission” issued by EDB and enrolled in nursery (K1), lower KG (K2) and upper KG (K3) classes adopting local curriculum.

(i) Nominated Estate KGs

For Scheme-KGs in housing estates operating in premises allocated under the EDB-administered school allocation or nomination mechanisms (Nominated Estate KGs) which are paying rental at concessionary rate as assessed by the Hong Kong Housing Authority (around 50% of market rent) and stipulated in the tenancy agreements, they will be eligible for full rental subsidy subject to the fill-up rate<sup>2</sup> calculated on the basis of total enrolment against the permitted accommodation in one session. The provision will be as follows:

Fill-up Rate	Rental Subsidy Percentage
50% or above	Full
25% to <50%	50%
<25%	25%

Note: New Nominated Estate KGs will be eligible for full rental subsidy in the first three-year tenancy agreement regardless of their fill-up rate.

(ii) Former aided child care centres under the Social Welfare Department (SWD)

For former aided child care centres under SWD before Harmonisation in 2005 currently in receipt of full rental reimbursement and mainly situated in premises of public housing estates paying less than 50% of market rent, they will continue to be eligible for full rental subsidy.

(iii) Other KGs

For other KGs, the rental subsidy will be subject to “dual caps” at 50% of the market rent as assessed by RVD, or 15% of the “basic HD unit subsidy”<sup>3</sup> for all eligible students of the Scheme-KG, whichever is lower. Should the amount of the rental stipulated in the tenancy agreement be lower than RVD’s assessment, the cap at 50% of the market rent will be based on the rental stipulated in the tenancy agreement.

## Other Details

7. For any Scheme-KGs that are also approved to operate child care services for children aged 0 to 3 years (except former aided child care centres under SWD as mentioned in paragraph 6(ii) above) and/or classes offering non-local curriculum, the

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<sup>2</sup> The session with the higher enrolment shall be taken for calculation of fill-up rate as follows:  
*[The number of students in the KG in the morning session or in the afternoon session whichever is higher ÷ total permitted accommodation as stated on the Accommodation Certificate] × 100%*

<sup>3</sup> The basic HD unit subsidy (provisional) for the 2023/24 school year will be \$37,610 per student per annum. The 15% of HD unit subsidy per month used in calculating monthly rental subsidy is \$470 [ $\$37,610 \times 15\% \div 12$  (rounded to the nearest integer, if applicable)]. The exact amount will be made known to KGs in due course.

calculation of rental subsidy will be based on the proportion of KG/child care centres (CCC) sections, local/non-local streams, and eligible/ineligible students under the Scheme.

8. If an approved Scheme-KG has been rejected by EDB to stay in the Scheme or approved by EDB to withdraw from the Scheme as respectively set out in paragraphs 9.4 and 9.5 of the “Terms and Conditions for Joining the Kindergarten Education Scheme” at Appendix 1 of [EDB Circular Memorandum No. 191/2022](#), only the eligible students staying in the Scheme will be counted in calculating the rental subsidy. In this connection, apportioning the rental expenditure between eligible students staying in the Scheme and ineligible students under the Scheme will be required in accounting and auditing.

### **Disbursement Arrangement**

9. Rental subsidy will be disbursed on a monthly basis from August or September (to tie in with the commencement of the school year of individual Scheme-KGs). The provisional amount of rental subsidy will be released on the basis of the projected enrolment as of September (provided by KGs concerned through the RSS System as mentioned in paragraph 14 below). Under normal circumstances, after verifying the actual enrolment of eligible students as of September, EDB will adjust the amount of rental subsidy as necessary in January and/or subsequent months of the school year concerned.

### **Accounting Arrangement**

10. For accounting and auditing purposes, Scheme-KGs are required to maintain separate ledger accounts to record rental subsidy and rental expenditure, and report these income and expenditure in their annual audited accounts to be submitted to EDB. Detailed reporting requirements will be set out in separate circular memorandum calling for submission of annual audited accounts. Documents such as tenancy agreements and rental receipts should be kept at schools and made available to EDB when requested. As a usual practice, relevant records of the subsidy should be kept for a period of not less than seven years. Any unspent balance of the rental subsidy based on annual audited accounts will be clawed back by EDB.

11. Scheme-KGs are required to return the amount of rental subsidy they received as specified by EDB in full to the Government if they are subsequently found using the

subsidy for other purpose(s) and/or no longer meeting the eligibility criteria. Scheme-KGs should inform EDB in writing in the first instance when there are any changes in their operation which make them no longer eligible for rental subsidy, and EDB reserves the right to withhold the payment of the subsidy concerned, deduct the overpaid amount from other grants, and/or demand immediate repayment.

## APPLICATION PROCEDURES

12. Scheme-KGs meeting the eligibility criteria set out in paragraph 3 above are invited to apply for joining RSS in the 2023/24 school year. KGs having submitted applications to join the Scheme with approval pending may also apply. Approval for the rental subsidy will be subject to approval for them to join the Scheme. Eligible KGs currently in receipt of rental subsidy under RSS have to submit fresh applications for the 2023/24 school year. However, former aided child care centres under SWD currently in receipt of rent reimbursement should continue to follow the existing procedures for rent reimbursement, hence need not apply for rental subsidy under RSS.

13. The amount of rental subsidy disbursed to each eligible Scheme-KG is based on the school registration under the Education Ordinance (Cap. 279) by each registered school location enrolled with KG students. For Scheme-KGs with more than one registered school locations with separate tenancy agreements, separate applications should be submitted. For those having all or some school locations under the same tenancy agreement, one application should be submitted for school locations under the same tenancy agreement.

14. Scheme-KGs, following the procedures illustrated in the “Procedural Guide on E-Application for Rental Subsidy under the Rental Subsidy Scheme” (RSS Guide)<sup>4</sup> should submit applications in the RSS System under the Kindergarten Education Scheme System accessed through the Common Log-on System (<https://fkg.edb.gov.hk/>) (referred to as “**E-Application**”)<sup>5</sup>. In particular, applicant Scheme-KGs have to input all the required information<sup>6</sup> and follow the procedures for E-Application; print out the whole set of duly completed schedules from the RSS System; and submit their applications signed by the supervisors to their respective Senior School Development

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<sup>4</sup> The RSS Guide can be downloaded from the Kindergarten Education Scheme System accessed through the Common Log-on System (<https://fkg.edb.gov.hk/>) following the procedures illustrated at the [Annex](#).

<sup>5</sup> Submission of application in hard copy which is NOT prepared and printed through the RSS System will not be accepted.

<sup>6</sup> Eligible Scheme-KGs are required to provide the rental related information such as the validity period of the tenancy agreement, the monthly rental, and the estimated enrolment as of September of the 2023/24 school year for the KG section by level [i.e. nursery (K1), lower KG (K2) and upper KG (K3) classes], by session [i.e. AM, PM and WD]; and by stream (local and non-local curriculum), and estimated enrolment for the CCC section, if applicable.

Officers or Senior Services Officers together with the following documents **on or before 28 April 2023 (Friday)**:

- (i) tenancy agreement; and
- (ii) documentary evidence provided by the landlord/grantee, indicating that the property/site can be let/sublet for rental purposes.

#### **TIE-IN WITH FEE ASSESSMENT**

15. Through the E-Application, the estimated amount of rental subsidy per month for individual eligible Scheme-KGs will be computed by the RSS System<sup>7</sup>. Eligible Scheme-KGs should use the same set of estimated enrolment information as mentioned at footnote 6 below for fee revision application of the school year; and accept any adjustment made by EDB to the approved school fees corresponding to the amount of rental subsidy.

#### **NEW TENANCY AGREEMENT**

16. Scheme-KGs should apply via E-Application for a change in the amount of the rental subsidy pursuant to a new tenancy agreement through the Common Log-on System<sup>4</sup> (<https://fkg.edb.gov.hk/>) irrespective of whether there is any change in the rental amount. Detailed procedures are illustrated in the RSS Guide.

#### **ENQUIRIES**

17. For enquiries, please contact your respective Senior School Development Officer / Senior Services Officer.

(Ms W S LEUNG)  
for Permanent Secretary for Education

cc : Heads of Sections - for information

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<sup>7</sup> Subject to adjustment according to the market rent as assessed by RVD as necessary.

## Procedures for Obtaining “Procedural Guide on E-Application for Rental Subsidy under the Rental Subsidy Scheme” through Common Log-on System

1. Enter the following URL into the browser address bar:

<https://fkg.edb.gov.hk/>



**Figure 1**

2. Log into the Common Log-on System.

A screenshot of the Education Bureau's Common Log-On System (CLO) login page. The page has a light yellow background. At the top left is the Education Bureau logo, which is a red circular emblem with a white stylized flower and the text "HONG KONG" below it. To the right of the logo, the text "教育局" and "Education Bureau" is displayed. Below this, the title "Common Log-On System" and "統一登入系統 (CLO)" is shown in large black font. There are two input fields: "Username/用戶名稱" and "Password/密碼". Below the password field is a blue button labeled "Logon / 登入". To the right of the button are links for "FAQs/常見問題" and "Forgot Username/Password" (with the Chinese translation "忘記用戶名稱/密碼" below it). At the bottom left, there is a green button labeled "Self Register/自助註冊". At the bottom of the page, there is a link: "Click [here](#) to register a new e-Services Portal School Account/按此註冊新的電子化服務入門網站學校戶口".

**Figure 2**

3. Enter the Kindergarten Education Scheme System after the login is successful. Click to expand the item Rental Subsidy Scheme (RSS) on the menu bar.

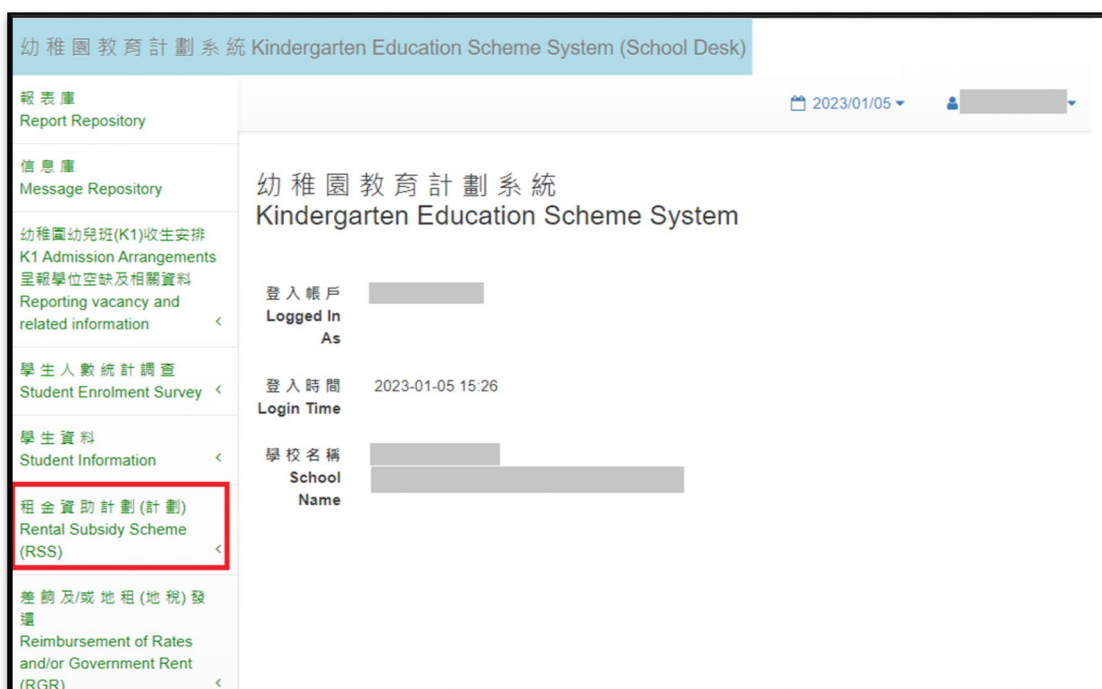


Figure 3

4. Select “Procedural Guide on RSS E-Application” on the drop-down menu.

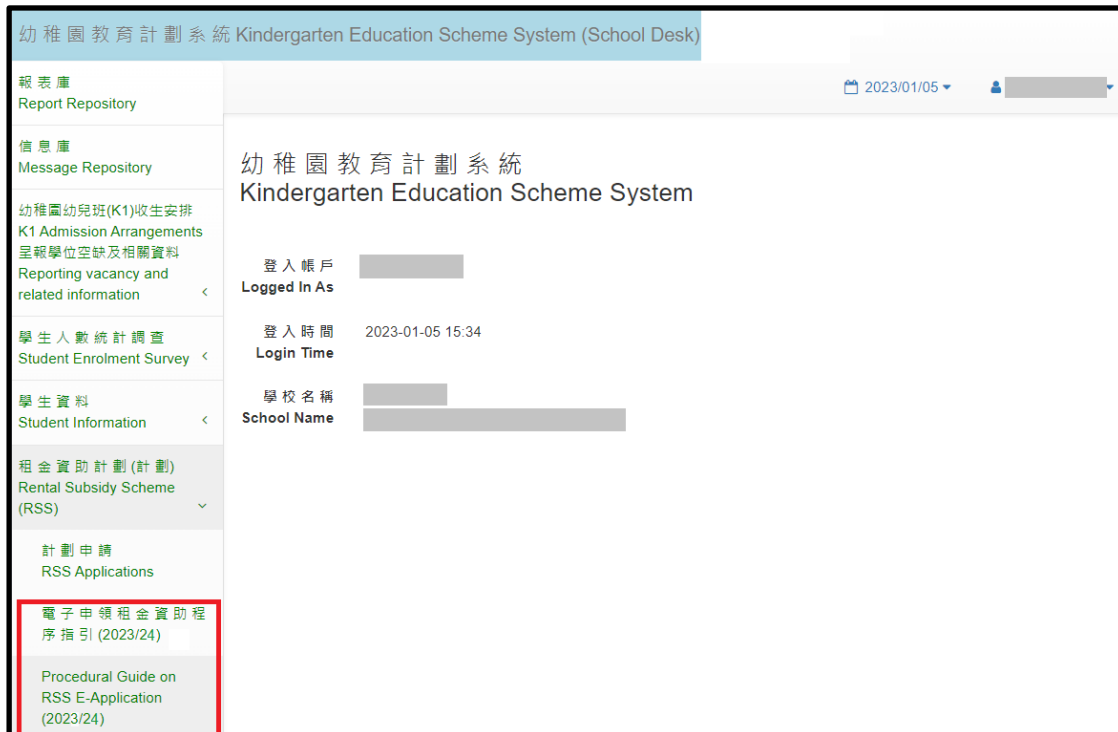


Figure 4

5. The RSS Guide will be opened directly by browser in PDF format which may be downloaded and printed.