

Education Bureau Circular No. 17/2003
(Formerly referred as EMB Circular No. 17 2003)

**Guidelines on Sale of School Items and
Provision of Paid Services in Private Schools**

[Note : This circular should be read by –

- (a) Supervisors/Heads of private schools (including kindergartens) for necessary action; and
- (b) Heads of sections for information.]

Summary

This circular provides private schools with updated guidelines on the sale of school items and the provision of paid services to students. Kindergartens and schools with kindergarten classes should, in addition, read this circular in conjunction with Administration Circular No. 18/2000 dated 19 April 2000.

Details

2. To safeguard the interests of parents and students and to avoid any cause for complaint arising from the sale of school items and the provision of paid services to students, private schools should observe closely the principles set out in the Guidelines at the Appendix. The Guidelines have been updated to ensure that trading activities in schools are properly conducted. The salient points of the principles are -

- (a) No purchase of school items or acceptance of paid services should be compulsory, and parents should be informed accordingly.
- (b) Items and paid services should be sold or provided at the minimum feasible price and should not be above the market price.
- (c) Any offers of donation or advantage from trading operators/suppliers should only be accepted in accordance with the Education and Manpower Bureau Circular on Acceptance of Advantages and Donations by Schools and Their Staff currently in force.

- (d) Proper books of accounts should be kept which must reflect all sales and purchases and provision of paid services, including any discount or block sum of money received from trading operators/suppliers.
- (e) The respective profit limits for different trading operations allowed under the Guidelines should not be exceeded.

Enquiry

3. For enquiries, please contact your respective Senior School Development Officers.

4. This circular supersedes Schools Miscellaneous Circular No. 1/2001 dated 29 January 2001.

Mrs Betty IP
for Secretary for Education and Manpower

Guidelines on Sale of School Items and Provision of Paid Services in Private Schools

Private schools should observe closely the principles set out in the present Guidelines on the sale of school items such as textbooks, exercise books, school uniforms, stationery, equipment needed by students to pursue their course of study and the provision of paid services to them.

2. Schools must keep proper books of accounts, which must reflect all sales and purchases of school items and the provision of paid services to students.

3. Where schools are involved either directly or indirectly in the sale of items or in the provision of paid services to students, they should observe the following principles -

- (a) No purchase of school items or acceptance of paid services should be compulsory, and parents should be informed accordingly.
- (b) An adequate description of the items for sale and paid services provided (including prices) should be given so that parents/students can exercise discretion as to whether to acquire these items/paid services elsewhere or not. For school uniforms, for example, schools should ensure that the materials selected for the uniforms are of a type, quality and colour generally available in the market. The design and measurements of the uniforms and specimens of the materials to be used should be made available for inspection by students/parents who make their own arrangements for the provision of the uniforms.
- (c) If items for sale are made up in packages (e.g. exercise books), each item should be made available for sale separately throughout the year with individual prices clearly shown.
- (d) Items for the exclusive use of students in one particular school (e.g. items bearing special insignia) should be kept to the minimum. Schools, which use exercise books printed with the school name and/or crest, for example, should permit their students to use exercise books of comparable size, quality and layout which are on sale at stationery shops.
- (e) Subject to sound educational practice, the types of items and paid services needed by students to pursue their course of study should be kept to the minimum. Items and paid services should be sold or provided at the minimum feasible price and should not be above the market price.

- (f) The profit from the sale of exercise books, school uniforms, stationery, equipment and other items (other than textbooks) should be limited to 15% of the cost price at which they are purchased from the suppliers. The profit limit of 15% should also cover paid services provided to students. For these items or paid services, where an arrangement is made with any supplier and a discount or block sum of money is received, parents and students should be informed of such in advance and the discount or block sum of money should be entered into the school accounts as an item of income. The school is also required to record, in an inventory, any advantages received from suppliers in the form of goods or items of equipment.
- (g) For the sale of textbooks,
 - (i) the Education and Manpower Bureau holds the stand that financial burden upon parents should be reduced whenever possible, and profit generated from sale of textbooks should not be allowed. While we understand that some schools may not be able to implement this no-profit policy immediately, these schools should arrange to rectify the situation as soon as possible. In the interim, any discount or block sum of money received from a bookseller/textbook supplier by a school should not in any case exceed the percentage of rebate it previously obtained. Moreover, parents and students should be informed in advance of the discount or block sum of money received by the school and the discount passed onto students, and that any difference in discount or sum of money received will be used for the benefit of students later; and
 - (ii) the discount or block sum of money received from a bookseller/textbook supplier through sale of textbooks should be either passed onto students immediately or entered into the “Sales of Textbooks” account to be used later for the benefit of students. The year-end balance of the account should be carried forward to the following year. Also, the “Sales of Textbooks” account should be made available to parents and the public upon request, or put on the Internet.

- (h) Any offers of donation or advantage from trading operators/suppliers should only be accepted in accordance with the Education and Manpower Bureau Circular on Acceptance of Advantages and Donations by Schools and Their Staff currently in force. In exceptional circumstances where there are compelling reasons to accept such donations, the acceptance should be fully justified, documented and approved by the School Management Committees in advance. In any case, schools should not allow the choice of trading operators/suppliers/publishers to be in any way influenced by a donation or any other form of advantages. In this connection, schools should also note the provisions laid down in section 3 on donation by publishers and section 4 on consideration of consumer rights of parents/students contained in the *Notes on Selection of Textbooks/Learning Materials for Use in Schools* set out in the relevant Education and Manpower Bureau circular on the same subject currently in force.