



In Compliance with the “Lump Sum Grant Subvention Manual” of Social Welfare Department The Use of Lump Sum Grant Reserve and Provident Fund Reserve

Background

Social Welfare Department (SWD) introduced the Lump Sum Grant Subvention System (LSGSS) in 2000-2001. The Hong Kong Society for Rehabilitation is operating two types of services under the LSGSS, including the Community Rehabilitation Network and Supported Employment and Training.

“LSG Reserve” is the surplus of recurrent subventions from SWD after deduction of operating expenditure (excluding Provident Fund (PF) expenditure) in relation to the Funding and Service Agreement (FSA) or FSA related activities. The Society specified the principles and drafted policies on the use of “LSG Reserve” applicable to service units under the LSG Subvention of SWD.

Principles for the use of “LSG Reserve”

1. For the continuous service improvement to enhance the quality of life for persons with chronic illnesses or disabilities and their families;
2. For building up a competent staff team for continuous service development;
3. To enhance the equipment for service provision and development; and
4. To ensure the long term financial sustainability and viability of “LSG Reserve”.

Utilization of “LSG Reserve”

1. To fulfill the contractual agreement to all staff under subvention (both snapshot and non-snapshot) so that every staff can enjoy the entitled annual salary increment;
2. To drive strategic development to fulfill the unmet needs;
3. To train and develop staff capability to meet the changing service needs;
4. To purchase service equipment and system enhancement in response to its service strategic plan; and
5. In principle, the “LSG Reserve” (including interest, but excluding PF reserve and LSG Reserve kept in the holding account) will be kept at the amount of not more than 25% of the operating expenditure (excluding PF expenditure) for that year.



The Committee on Rehabilitation of the Society is responsible for reviewing the management and use of the “LSG Reserve” and the “Provident Fund Reserve (PF Reserve)” in respect of the service development of the Society. Financial reports and budgets would be prepared. The policies and procedures on monitoring the use of “LSG Reserve” are documented in the internal guideline of the Hong Kong Society for Rehabilitation.

The details of the Society’s “LSG Reserve” and “Provident Fund (PF) Reserve” as at end of March 2024 are as follow:

1. “LSG Reserve” recorded a surplus of HK\$9,067,900
2. “PF Reserve” for snapshot staff recorded a surplus of HK\$474,800
3. “PF Reserve” for non-snapshot staff recorded a surplus of HK\$2,879,700

The Society has prepared the Policy on the use of PF Reserve with the aim to optimize the remuneration package and retain staff. Staff consultation has been held and the Policy has been endorsed by the Committee on Rehabilitation. The latest additional PF contribution will be released to entitled staff accordingly in Dec 2024 by the Society on a one-off basis. The Policy will be reviewed periodically to ensure the financial stability of the Society.

Notes :

- Snapshot staff refers to staff employed by the Society before the implementation of LSGSS in 2000.
- Non-snapshot staff refers to those staff employed by the Society after the implementation of LSGSS in 2000.