

Kick-off Briefing on the Proper Use of Lantau Conservation Fund

List of Schedules in the Agreement

Schedule A – Details of the Project

Schedule B – Funding Condition

Schedule C – Approved Budget

Schedule D – Disbursement Schedule

Schedule E – Progress Report and Completion Report Templates

Schedule F – Notes for Auditors and Sample Auditors' Report

Grantee's Obligations

The Grantee shall:

- ensure the grant is wholly and exclusively for the purpose of the Project and in accordance with the Approved Budget;
- commence the Project on the date specified in Details of the Project;
- carry out the Project on prudent commercial;
- maintain open, fairness and transparency in recruiting personnel for the Project;
- comply with all laws and regulations applicable to the Project

Payment of Grant




- The Grant will not exceed the approved amount;
- Made in accordance with the Disbursement Schedule;
- Upon completion or earlier termination of the Agreement, any unspent Grant shall be refunded to the Government

Project Expenditure

- Expenses spent by the Grantee for the sole and exclusive purpose of the Project;
- The following expenses are not regarded as the Project Expenditure:
 - a) expenses without any proof;
 - b) only supported by invoices/payment notices without receipts/payment transaction records;
 - c) not listed or exceeding the amount specified in Approved Budget;
 - d) not procured in accordance with the procurement requirements.

Approved Budget – Items on approved budget

- Grantee may reallocate funds of approved items within the same category
- Any unused fund for projects staff costs (except research projects) and audit fees is not allowed to be reallocated to other expenditure categories

	Particulars 分項詳情	Unit Cost (\$) 單位成本	Quantity 數量	Total (\$) 總計
1.	Transportation 交通			
1.1	28-seat car rental for transportation of visitors (\$1000/day x 10 times) 租借28座車以作訪客交通 (一日\$1000 x 10次)	1,000	10	10,000 
1.2	5.5T lorry rental for delivery of equipment (\$500/day x 10 times) 租借5.5 噸貨車以作運送設備 (一日\$500 x 10次)	500	10	5,000 
			Sub-total 小計	15,000 

Approved Budget – Items not on approved budget

Provided that items are reasonable & approved cap not exceeded; prior written approval required

	Particulars 分項詳情	Unit Cost (\$) 單位成本	Quantity 數量	Total (\$) 總計
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			Sub-total 小計	15,000

← New item

↔

Approved Budget – Exceeding approved cap for a category

- Not exceeding 15% of the original approved cap
- Otherwise, prior written approval from Secretariat / LCFAC required

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Procurement of Goods and Services (1)

- Ensure fair, open, competitive and value-for-money in the procurement of goods and services

Total procurement cost	Written quotation required
not exceed HK\$5,000	1
over HK\$5,000 but not more than HK\$50,000	2
over HK\$50,000 but not more than HK\$280,000	3
over HK\$280,000 but not more than HK\$ 1,400,000 (Updated to \$1,360,000)	5
over HK\$ 1,400,000 (Updated to \$1,360,000)	issue an open tender

Procurement of Goods and Services (2)

- Keep records of any invited suppliers / contractors who fail to provide quotation;
- Supplier selection:
 - the lowest conforming bid (if price only)
 - the highest mark amongst the conforming bids (if marking scheme)
 - If not, full justifications and prior agreement must be given/obtained
- Payout in cash for each transaction : Not exceed HK\$30,000;
- Must not disclose the approved budget to any prospective suppliers / contractors before the conclusion of the procurement.

Submissions

- Progress Report with Statement of Accounts:
 - once every 6 months (milestone)
 - within 2 months from the end date of the reporting period;
- Annual Audited Accounts:
 - once every 12 months
 - within 2 months from the end date of the reporting period
 - appoint an independent auditor to conduct independent audits and to prepare all Audited Accounts;
- Completion Report, Final Audited Accounts, Project summary:
 - within 4 months from the completion of the Project

Monitoring and Evaluation (1)

- Activity / event:
 - Provide information at least 1 month before (name, content, personnel involved, dates, time, venues etc);
 - LCF Secretariat may carry out on-site inspections or surprise checks at any time (for activity / event / field work);
- Other submissions:
 - Vet by LCF Secretariat and/or SLO / relevant B/Ds / LCFAC
 - Clarify / improvement measures from project team if necessary
- Project Assets:
 - LCF Secretariat may perform random check

Monitoring and Evaluation (2)

Throughout the project period :

- Delay and/or poor quality of activity/event/field work/submission;
- Max. 2 rounds of clarification/improvement measures for EACH unsatisfactory performance observed;
- If still outstanding issue(s) unsolved/unsatisfied after 2 rounds, a “Poor Performance Record” for the project;
- LCF Secretariat will issue warning letter EVERYTIME the project obtains a “Poor Performance Record”;
- 3 “Poor Performance Records” → report to LCFAC, may interview Project Leader and/or Person-in-charge, or *termination of Agreement*.

Termination

May suspend the Project (including payment of the Grant or terminate the Agreement) immediately on notice to the Grantee, if:

- No longer fulfilling the eligibility requirement of LCF;
- Fails to commence the Project within 1 month from the commencement date without justified reason;
- For extreme case(s) that the Grantee fails to remedy the poor performance or to achieve the targets set out;
- For the sake of public interest;
- Any material change occurs in the management or control of the Grantee (in particular the Key Project Staff).

Project Assets

- Solely and exclusively for the purpose of carrying out the Project;
- Hold, operate and use in a proper way and keep and maintain in good repair and condition;
- Keep an inventory and carry out stock-taking annually;
- After the completion of the Project, the Grantee shall dispose of the Project Assets as agent for the Government.

Acknowledgement and Publicity

- Submit all publicity materials for approval at least 2 weeks before the date of any activity / event;
- Any publicity materials should display the logo of the LCF, the SLO and/or the CEDD;
- Notify the LCF Secretariat before accepting any requests from media for interview in relation to the Project;
- Display the disclaimer in publicity materials as far as applicable;
- No publicity materials shall be used for purposes of personal, political, commercial or religious publicity of any person;

Changes to Project and/or Budget

- Major changes to project and/or budget are normally NOT allowed;
- If changes are unavoidable, the Grantee shall submit full justifications and obtain written approval by the Government.

Intellectual Property Rights

- The Grantee is the owner of the intellectual property rights of the content and research results of the project;
- The Grantee shall unconditionally grant the content and research results of the project for the benefits of the Government.

Avoidance of Conflicts of Roles and Interests

The Grantee shall not undertake any service, task or job or do anything which conflicts, or which may be seen to conflict, with the Grantee's duties to the Government

- including the Project Leader, Key Project Staff, each of its directors, employees, agents and contractors and their respective associates

Confidentiality

The Grantee undertakes not to disclose to any person:

- any information/project materials
- records
- databases
- reports
- documents
- contracts
- all other data and materials of any nature (in or on whatever media).

Indemnity

The Grantee shall fully indemnify and keep indemnified the Government, its authorised users, assigns and successors-in-title from and against:

- all and any claims, actions, investigations, demands, proceedings, threatened, brought or instituted against the Government, its authorised users, assigns and successors-in-title; and
- all liabilities (including liability to pay compensation and damages), damage, losses, costs, charges and expenses which the Government, its authorised users, assigns and successors-in-title may sustain or incur.

Prevention of Bribery

- Prevention of Bribery Ordinance (Cap. 201)
- Issue a code of conduct to every person employed or engaged
 - with reference to the sample code of conduct set out in the *Best Practice Checklist – Strengthening Integrity and Accountability – Government Funding Schemes Grantee’s Guidebook* compiled by the ICAC.

Independent Contractor

- The Grantee as an independent contractor only;
- Shall not represent itself as an employee, servant, agent or partner of the Government.

Thank You