

Free Quality Kindergarten Education Scheme
Guidance Notes on Subsidy Disbursement (2017/18 School Year)

1. Introduction

1.1 This guide aims at explaining to kindergarten (KG) operators the arrangements for the provision of **unit subsidy** (i.e. half-day (HD), whole-day (WD) and long whole-day (LWD) unit subsidies) by the Education Bureau (EDB) to KGs joining the Free Quality Kindergarten Education Scheme (Scheme) as set out in EDB Circular No. 7/2016 and the respective points to note.

2. Background

2.1 The free quality KG education policy will be implemented starting from the 2017/18 school year. The policy objectives are to provide good quality and highly affordable KG education, and enhance the accessibility of students to different modes of services that suit their specific needs. The Government will provide direct subsidies for KGs participating in the Scheme (Scheme-KGs).

2.2 KGs that wish to join the Scheme in the 2017/18 school year should submit their applications in accordance with EDB Circular No. 7/2016. KGs approved by EDB to join the Scheme in the 2017/18 school year will receive the basic HD unit subsidy, and those offering WD and LWD services are provided with additional subsidies (LWD KG services refer to those services provided by former aided child care centres operated under the Social Welfare Department before Harmonisation of Pre-primary Services in the 2005/06 school year). These subsidies cover expenses on salaries for teaching staff (including principals) and supporting staff, and other operating costs. The amount of subsidy is based on the rates as specified by EDB and number of eligible students holding a valid certificate as recognised by EDB and enrolled to nursery (K1), lower KG (K2) and upper KG (K3) classes adopting local curriculum (“Eligible Students”). A valid certificate refers to a “Registration Certificate for Kindergarten Admission” or a “Certificate of Eligibility for the Pre-primary Education Voucher Scheme”¹ (Voucher) issued by education authority which remains valid only throughout the prescribed validity period.

2.3 Besides, school-specific grants² will be provided to cater for the special circumstances of individual KGs. For details, please refer to the relevant EDB Circular Memorandum.

¹ If a student has been issued with a Voucher before the 2017/18 school year and will attend eligible courses of a Scheme-KG, the remaining validity period of the Voucher will be automatically covered under the new funding mode of the Scheme.

² The grants include rental subsidy, premises maintenance grant, grant for a cook, tide-over grant, grant for support to non-Chinese speaking students, etc.

3. Calculation Method of Subsidies

3.1 EDB will disburse the basic HD unit subsidy, WD unit subsidy or LWD unit subsidy on a monthly basis according to the start month and the number of instalments of eligible KG courses approved on the “Fees Certificate” (i.e. from August or September by 10, 11 or 12 instalments). The rates of subsidies per instalment for the 2017/18 school year are as follows:

Subsidy	Unit	Rate of unit subsidy	Rate of subsidy per instalment		
			in 10 instalments	in 11 instalments	in 12 instalments
Basic HD unit subsidy	per student per annum	\$33,190	\$3,319	1st instalment: \$3,020; remaining 10 instalments: \$3,017	1st instalment: \$2,775; remaining 11 instalments: \$2,765
WD unit subsidy	per student per annum	\$43,150	\$4,315	1st instalment: \$3,930; remaining 10 instalments: \$3,922	1st instalment: \$3,605; remaining 11 instalments: \$3,595
LWD unit subsidy	per student per annum	\$53,100	\$5,310	1st instalment: \$4,830; remaining 10 instalments: \$4,827	\$4,425

3.2 The amount of subsidy is calculated based on the number of Eligible Students in each month. For example:

- ✧ For KGs commencing the school year in August, the subsidy received in August 2017:
Number of students in August x the rate of unit subsidy for August
- ✧ For KGs commencing the school year in September, the subsidy received in September 2017:
Number of students in September x the rate of unit subsidy for September
- ✧ For KGs commencing courses in both August and September, the rate of subsidy is calculated as below:
 - The subsidy received in August 2017:
Number of students in August studying in courses that commence in August x the rate of unit subsidy for August
 - The subsidy received in September 2017:
(Number of students in September studying in courses that commence in August x the rate of unit subsidy of the course for September) + (Number of students in September studying in courses that commence in September x the rate of unit subsidy of the course for September)

3.3 The monthly subsidy for each Eligible Student is disbursed to one KG only. Should there be any new intake, drop-out or transfer of students during the school year, the subsidy will be disbursed as follows:

3.3.1 If a student is transferred to another KG in the middle of a month, in general, the former KG attended by the student can receive the subsidy in respect of the student for that month while the new KG attended by the student can only collect from parent the school fee after deduction of Government subsidy in that month and start to receive the subsidy for the student from the following month. For instance, a student is transferred to another KG in mid-November 2017. The former KG attended by the student can receive the subsidy in respect of the student for November 2017 while the new KG attended by the student can only receive the subsidy for the student from December 2017 onwards (please refer to Appendix 1 for illustration).

3.3.2 If a child is admitted to a KG in the middle of a month and the subsidy in respect of the child for that month has not been received by any KG, the KG can receive the subsidy in respect of the child for that month even though the date of admission does not fall on the first school day of that month.

Example 1

A child holding a valid certificate enrolls in a KG for the first time in mid-November 2017. The KG can receive the subsidy for the child from November 2017 onwards.

Example 2

A child holding a valid certificate drops out of a KG in mid-November 2017 and is admitted to another KG in mid-February 2018. This KG can receive the subsidy for the child from February 2018 onwards.

3.4 If a student changes to a different session (e.g. from HD session to WD/LWD session or from WD/LWD session to HD session) in the same KG in a month, the session that the student first attended in that month is adopted as the basis for calculating the subsidy for the student that the KG can receive in that month.

3.5 If a child attends KG A (which starts the school year in August) in August 2017 but is transferred to KG B (which starts the school year in September and collects tuition fee by 12 instalments) from September 2017, KG B can receive the subsidy in respect of the child for the whole school year if the child studies in KG B until the end of the school year (Please refer to Appendix 1 for illustration).

3.6 If a student has completed a KG course in a school year and then enrolled to a course of the same school year in another KG, the admitting KG will not receive any subsidy in respect of the student for that school year. For example, if a student

completes a 10-month course at KG A that finishes in June and is then transferred to KG B in July to attend a course that finishes in August in the same school year, KG B will not receive any subsidy in respect of the student for July and August of that school year (Please refer to Appendix 1 for illustration).

4. Disbursement Arrangements for Unit Subsidies

- 4.1 Provisional subsidies are disbursed early each month according to the start month and number of instalments of eligible KG courses approved on the “Fees Certificate”. The first instalment of provisional subsidy is disbursed at the beginning of August or September, depending on the start month of KG courses. In the first few months of the new school year, subsidies will be disbursed according to the projected enrolment reported by KGs in late June (see Form 1); while starting from November, subsidies will be disbursed in accordance with the student information as reported in the previous month. The number of students eligible for provisional subsidies each month will be updated on the Free Quality KG Education Scheme System (“School Portal” > “Student Information”) to facilitate KG’s checking and handling of their monthly financial statements.
- 4.2 EDB will, in 3 phases, calculate the subsidies based on the updated student attendance information due to changes such as students’ transfer in or out of school, students’ change of session (e.g. from HD session to WD/LWD session or from WD/LWD session to HD session) and students’ non-attendance for an entire month reported by KGs. The adjustment of subsidy will be conducted in November 2017, March and August 2018, and underpayment or overpayment of subsidies will be adjusted afterwards.
- 4.3 The arrangements for disbursement of subsidies with illustrations are set out in Appendix 2.

5. Reporting Student Attendance Information for Calculation of Subsidy

- 5.1 The amount of subsidy is calculated upon student attendance information. Therefore, KGs are required to report in a timely manner the attendance information of students holding a valid certificate, including new intakes and drop-outs. Details are set out below:
- 5.1.1 **Before 15 September 2017**, KGs are required to update the attendance information of students at the beginning of the 2017/18 school year (August to September) via the “School Portal” > “Student Information” > “Input Student Information” function. For KGs participating in the Pre-primary Education Voucher Scheme in the 2016/17 school year, EDB will transfer KGs’ nursery (K1) and lower KG (K2) student records at the end of the 2016/17 school year to lower KG and upper KG (K3) student records for the

2017/18 school year in the computer system. KGs are required to confirm the student records of those “promoted” to lower KG and upper KG in accordance with students’ attendance records in August (if courses start in August) and September in the 2017/18 school year, including removal of students who withdrew at the end of the 2016/17 school year, input of new intakes or transferees, as well as the last date of attendance of dropouts at the beginning of the school year. The student information to be verified or added includes:

- name of student (must be identical to the name on the valid certificate)
- number of the valid certificate
- course attended (e.g. K2 HD/AM class)
- first date of attendance in the current school year
 - ✧ existing students: school commencement date of the current school year
 - ✧ new intakes or transferees: the first school day of the students
- last date of attendance in the current school year (applicable to dropouts at the beginning of the school year only)

5.1.2 **On or after 15 September 2017**, KGs are required to report new intakes, change of course and drop-outs via the “School Portal Account” > “Student Information” > “Update Student Information” function (a standard form may be used if necessary). Students’ non-attendance for an entire month has to be reported by means of a standard form. All changes of student information have to be reported to the Kindergarten Administration 2 Section (KGA2 Section) of EDB in a timely manner (i.e. within seven days upon occurrence). Please refer to Appendix 3 for the standard forms concerned.

5.2 KGs are not required to report to KGA2 Section the attendance information of students who are not holding a RC or a Voucher.

6. Points to Note for KGs

6.1 If a child holding a valid certificate is offered a school place by a Scheme-KG and the offer is accepted, parents should present the original copy of the valid certificate of the child to the KG for retention. The KG will issue an acknowledgement to parents to confirm receipt of the valid certificate. Besides, the registration fee must be refunded to any child who pays the registration fee and subsequently takes up the place within the first month of the school year concerned after receiving the first instalment of the school fee from the child, if any.

6.2 KGs should duly inform parents of the drop out procedures upon admission of new students to avoid unnecessary disputes. The RC/Voucher is the property of the student. When a student drops out, the original copy of his/her valid certificate

should be returned to his/her parents who should acknowledge receipt of the valid certificate from the KG by signing a receipt. In addition, KGs should inform parents in writing of how they will handle unclaimed valid certificates after students' withdrawal.

- 6.3 If there are students who have been absent from school for an entire month, KGs should report the cases by faxing the duly completed Form 4 (Appendix 3) to KGA2 Section. If applicable, the certified copy of documentary proof (e.g. certificate of sick leave/admission to hospital) should be attached so that KGA2 Section can determine whether to suspend the disbursement of subsidy having regard to the specific circumstances. Generally speaking, EDB will consider special circumstances (e.g. illness) with documentary proof on a case-by-case basis.
- 6.4 A checklist of points to note, along with the Registration Certificate, will be given to parents. It elucidates matters concerning the use of Registration Certificate, and will later be uploaded to the EDB website: Home > Education System and Policy > Kindergarten Education > Admission Arrangements for Nursery (K1) Classes in Kindergartens).
- 6.5 The subsidies disbursed to KGs under the Scheme are based on the attendance information of eligible students. KGs are required to provide EDB with accurate information regarding their students, and EDB will conduct inspections of Scheme-KGs to verify relevant information.
- 6.6 As KGs have to report timely student information (such as new intakes, change of course, drop-outs and students' non-attendance for an entire month during the school year) to KGA2 Section, it would be desirable for KGs to designate a staff member to liaise with KGA2 Section and handle matters concerning the disbursement of subsidies.

7. Enquiries

- 7.1 For enquiries about the guidance notes on subsidy disbursement, please contact the Kindergarten Administration 2 Section of EDB.
Telephone: 2892 6669 or 2892 6546
Fax: 3579 4010
Address: 14/F, Wu Chung House, 213 Queen's Road East, Wan Chai, Hong Kong

Education Bureau
July 2017

*[To be returned to the Kindergarten Administration 2 Section, Education Bureau by fax
on or before 27 June 2017 (Tuesday)]*

To: Kindergarten Administration 2 Section, Education Bureau
(Fax no.: 3579 4010)

**Free Quality Kindergarten Education Scheme
Estimated Number of Students (2017/18 School Year)**

Our kindergarten (KG) is approved to join the Free Quality Kindergarten Education Scheme in the 2017/18 school year.

Part A The particulars of our KG are as follows:

Name of KG	(in English)		
	(in Chinese)		
School Address			
Contact Person		Title	principal / senior teacher / others (please specify: _____)*
Telephone No.		School Registration No.	

Part B **Estimated** number of students with “Registration Certificate for KG Admission” / “Certificate of Eligibility for the Pre-primary Education Voucher Scheme” at the beginning of the 2017/18 school year:

	For Courses Starting in August ^{Note 1}			For Courses Starting in September ^{Note 1}		
	Half-day AM Class	Half-day PM Class	Whole-day Class	Half-day AM Class	Half-day PM Class	Whole-day Class
Number of Students ^{Note 2}						

Note:

- 1 According to course start month specified on the “Fees Certificate”.
- 2 Provisional half-day, whole-day or long whole-day subsidies for the early months of the school year will be calculated according to the estimated number of students. KGs are required to report timely student attendance information (e.g. new intakes, change of course, dropouts, etc.) through the Free Quality Kindergarten Education Scheme System during the school year, particularly at the beginning of the school year (late August to mid-September) when relatively more changes in student information will need to be updated. Based on such information, the Education Bureau will calculate the amount of subsidy and make adjustment of any overpayment or underpayment.

Signature of Supervisor / Principal* : _____
 Name of Supervisor / Principal* : _____
 Date : _____



* Please delete where inappropriate