

HONG KONG BAPTIST UNIVERSITY

Guidelines for the Use of Donations and Matched Grants

1. BACKGROUND

- 1.1 Since the Matching Grant Scheme was launched by the University Grants Committee (UGC) in July 2003, a number of Faculties/Schools/Departments/ Offices have received donations that are designated for the development of the particular Faculty/School/Department/Office.
- 1.2 In addition to the donations, up to 40% of the UGC matched grants were allocated to the contributing units for development purposes under the University's Incentive Plan.
- 1.3 With regard to the use of the donations and the matched grants, in addition to the guidelines laid down by the UGC, it is necessary to have internal guidelines so that the use of funds will contribute to the overall development of the University. The general goal is that the use of the funds should contribute to raising the standards, quality and reputation of the University's teaching and research activities.

2. UGC GUIDELINES

- a) It is stipulated in the UGC guidelines for the Matching Grant Scheme that both the donations and the corresponding matching grants must be used for activities within the ambit of UGC recurrent grants and cannot be used for self-financing activities.
- b) The matching grants can be applied to the award of scholarships.
- c) With regard to staff donations, extra care must be taken when the donor/beneficiary relationship seems direct and obvious. As an illustration, it is not acceptable for a staff donation to carry the conditions for the sum to be applied to the salary expenditure of the department in which the staff member is working, or to a research project of his/her own.

3. INTERNAL GUIDELINES

- a) These guidelines shall apply to matched grants under the Matching Grant Scheme, and to all donations whether they are received under the Matching Grant Scheme or not. Expenditures made out of development fund accounts and any accounts opened by departments/offices for such donations and matched funds are subject to the guidelines.
- b) For approved donations which are designated by the donors for specific purposes or projects, the wish of the donors, and any conditions/financial restrictions as set down by the donors, should be adhered to. If these conditions/restrictions are in conflict with the guidelines herein, the more stringent one shall prevail.
- c) For specific projects designated by donors, Deans and Heads of Departments are responsible for ensuring that the projects be carried out in accordance with the conditions and financial restrictions as set down by the donors; and that proper reports be provided to the donors as applicable/appropriate. For projects carried out by non-teaching offices, the supervising President or Vice-Presidents shall be responsible.
- d) The budget controller of an account which holds the donations or matched grants should not be below the level of a Head of Department/Office. Only in the case of a specific project designated by the donor that the principal investigator of the project, who may be at a level below the Head of Department/Office, can be the budget controller of the donation, but not the matched grant.
- e) In addition to the approval of the budget controller, any use of the donations and matched grants must be endorsed by the Dean (for academic departments) or the President/Vice-Presidents (for non-teaching offices), if the amount of the expenditure exceeds \$5,000. However, such endorsement is not required in the following cases:
 - (i) where the budget controller is a Dean or above; or
 - (ii) where the expenditure is made out of a donation controlled by the principal investigator of a specific project designated by the donor.

- f) Irrespective of the controllership of the budget, endorsement by the reporting supervisor or higher officer must be obtained for expenditure incurred by the budget controller him/herself (except where he/she is a Dean or above), if the amount of the expenditure exceeds \$5,000. This is the same in principle as Points n) & o) of the Guidelines approved by the Senior Executive Committee for the Use of Non-UGC Funds (as promulgated by the Finance Office on 12 October 2004).
- g) As both the donations and matched grants are University money, they must be used for University-related business, and on a prudent and reasonable scale. The Guidelines for the Use of Non-UGC Funds and all prevailing financial procedures, including those for purchasing, reimbursement, staff appointment and the like, should be followed in the use of the money.
- h) The donors of various development funds have been given the expectation that both their donations and the corresponding matching grants will be used for the development of the University. Each department/office should therefore live up to the donors' expectation by applying the funds to purposes that will promote and enhance its development in terms of quality, growth, capacity-building and achievements. Examples of such purposes include research projects, teaching enhancement projects, academic exchanges, generation of patents and copyrights. Departments should not use the funds to supplement the general operating expenses.
- i) Deans are ultimately accountable for the development of their Faculties/Schools and the proper use of funds. This is particularly so for the UGC matched grants which were allocated to Faculties/Schools and placed in the control of the Deans for the development across the academic departments of the Faculties/Schools.

Office of the Vice-President (Development)

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