

Professional Services Advancement Support Scheme

Examples of Typical Allowable and Unallowable Costs

(I) Typical Allowable Costs

All costs directly incurred for delivery of the project during the Project Duration may be funded by PASS. Typically fundable direct costs may include:

- (a) salary (including employer's contributions to the Mandatory Provident Fund) of additional manpower directly incurred for the project;
- (b) salary (including employer's contributions to the Mandatory Provident Fund) of existing staff deployed for the project (on a pro-rata basis if only a certain percentage of the working time of the staff is deployed)¹;
- (c) external consultancy fees or service fees charged by implementation agent(s)² directly incurred for the project;
- (d) honorarium for guest speakers³;
- (e) cost of procuring or leasing of additional equipment for implementing the project (Applicants are encouraged to use their existing equipment or lease additional equipment as far as possible, instead of purchasing new equipment);

¹ A record on the percentage of the working time devoted by the staff to the project must be maintained.

² If external consultancy services or the services of implementation agent(s) are required, please provide details of the services (including how they are related to the proposed Project Deliverables) together with cost breakdown to facilitate assessment. Detailed supporting documents to substantiate the consultancy fees and service fees charged by the implementation agent(s) may also be required.

³ If honorarium for guest speakers is proposed, please provide benchmark references to facilitate assessment of the proposed amount of honorarium.

- (f) external audit fees relating to the project and arising from compliance with the requirements of PASS. The maximum funding for each audit is HK\$10,000;
- (g) travel and accommodation costs for Project Team members and/or other individuals approved by the Government (e.g. non-local guest speakers travelling to/from Hong Kong). For flight charges, normally only cost of economy class fare is covered⁴;
- (h) travel and accommodation costs for participants with active roles (e.g. guest speakers and panellists) in events outside Hong Kong under PASS projects or participants of relatively longer professional internship/attachment programmes (say, six weeks or above);
- (i) event venue and set up cost⁵ (e.g. venue rentals, basic light refreshments, backdrops and banners);
- (j) production and promotion cost of Project Deliverables⁶ (e.g. design of promotional materials, advertising fees, kits for participants and souvenirs for guest speakers); and
- (k) other services (e.g. photography, simultaneous interpretation and bank charges for maintaining the Project Account).

⁴ Grantees may provide justifications and seek exceptional approval from the Government to top up the travel and accommodation arrangements at their own expenses.

⁵ Venue insurance may be included if charged by venue holder(s).

⁶ “Project Deliverables” mean all the tangible and intangible subject matters created, developed, produced or made by the Grantee during the course of and/or for the purpose of the project, stored in whatever media and whether in their completed forms or not, including but not limited to, the Project Progress Report(s), Project Final Report, Post-Project Evaluation Report, Audited Accounts and Final Audited Accounts.

(II) Typical Unallowable Costs

Unless otherwise approved by the Government in advance, the Applicant must not charge to the project cost expenses such as:

- (a) annual increment, allowances, fringe benefits, gratuity, year-end double payment, etc. of additional manpower and existing staff;
- (b) entertainment expenses and meals;
- (c) participation fees for visits and mission trips;
- (d) general office equipment (e.g. computers, projectors and fax machines) and mobile devices (e.g. mobile phones and tablets);
- (e) property acquisition expenses;
- (f) costs of renting, renovating or setting up an office;
- (g) utility expenses;
- (h) costs of forming or establishing a limited company or organisation;
- (i) depreciation, amortisation or provisions not representing actual expenses incurred;
- (j) home to workplace travelling expenses;
- (k) cash prizes for competitions;
- (l) capital financing expenses (e.g. mortgage and interest on loans/ overdrafts); and
- (m) office overheads.