

## Quick Reference Guide of CreateSmart Initiative (CSI)

This Quick Reference Guide of CSI is to highlight the important actions and attention required on the part of the Fund Recipient (i.e. project applicant) under the project agreement.

Points to Note	Explanatory Notes
<p>(i) <b>Keeping of a designated bank account for the project</b></p>	<p>(a) The Fund Recipient shall <b>keep a designated bank account</b> and keep the CSI Funds <b>separate from other monies belonging to the Fund Recipient</b>.</p> <p>(b) A designated bank account means an interest-bearing Hong Kong dollar account established and maintained with a licensed bank in Hong Kong under the Banking Ordinance (Cap. 155) <b>solely and exclusively for the purpose of the project</b>.</p> <p>(c) The Fund Recipient shall cause the funds and all other receipts relating to the project to be paid into and all payments relating to the project to be paid out of the designated bank account, and ensure that all receipts and payments in respect of the project are properly and timely recorded. The Fund Recipient shall keep all unspent balance of the CSI Funds at all times in the designated bank account.</p> <p>(d) All <b>income and interest</b> shall be reflected in the financial statements and audited accounts.</p> <p>(e) A designated bank account should be <b>kept for each CSI-funded project</b>. Even if the project is a <b>repeated one</b> (e.g. a new edition to a project previously approved by CSI), a designated bank account (starting with a zero balance) is <b>still</b> required.</p> <p>(f) At times when there is nil balance in the designated bank account pending CSI funding disbursement but payments have to be made, the Fund Recipient may transfer money from other sources into the designated bank account as loan. In other words, all payments relating to the project must be paid out of the designated bank account. CSI Funds when disbursed should first be deposited into this designated bank account. Repayment of loan should be made from this account.</p>

	(g) All withdrawals from the designated bank account shall only be made by the Fund Recipient's authorised signatory.
(ii) Proper keeping of financial statements, books and records, invoices and receipts, quotations and tendering documents of the project	<p>(a) The Fund Recipient should keep all <b>originals (or true copies certified by the original issuer) of financial statements, books and records, invoices and receipts, quotations and tendering documents</b> of the project (including all matters in respect of the receipt, expenditure and custody of the funds and any other public funds which may be provided for any purposes relating to the project and all income (of whatsoever description) derived therefrom) <b>as far as practicable</b> during the continuance of the Project Agreement and for <b>at least seven years</b> after either the completion of the project or earlier termination date of the project agreement, or as otherwise specified by the CSI Secretariat within that seven-year period.</p> <p>(b) The Fund Recipient shall ensure that the Government, the Director of Audit of the Government and their respective authorised representatives <b>shall be allowed access</b> to all or any of the aforesaid originals of financial statements, books and records, invoices and receipts, quotations and tendering documents for conducting audit (including value for money audit), inspection, verification and copying from time to time upon reasonable notice during the continuance of the Project Agreement and the seven-year period mentioned above.</p>
(iii) Seeking the CSI Secretariat's prior written approval on any project variation	<p>(a) An approved project is required to be <b><u>carried out strictly in accordance with the proposal</u></b> appended to the Project Agreement.</p> <p>(b) Any modification, amendment or addition to the project or the agreement (including change of the project duration, project coordinator, scope, methodology, project deliverables in terms of nature, scale etc., budget, sponsorship, income or cash flow projection etc.) will require <b>prior written approval</b> by the CSI Secretariat. All variation should be well justified.</p> <p>(c) If no prior written approval is obtained, the Fund Recipient may</p>

	<p>bear the <b>risk of paying</b> for all the relevant expenditures incurred outside the approved project scope.</p> <p>(d) The Fund Recipient should particularly pay attention to the <b>unallowable cost items</b> set out in Chapter XI of the CSI Guide and <b>avoid misusing</b> the CSI funds for these items. The CSI Guide is available at the Download Area of the CSI website [<a href="https://www.csi.createhk.gov.hk">https://www.csi.createhk.gov.hk</a>].</p>
<p>(iv) <b>Seeking the CSI Secretariat's prior written approval on budget variation for reallocation of a line item in excess of 15%</b></p>	<p>(a) Unless otherwise specified in the Project Agreement and/or the Letter of Approval, the Fund Recipient may reallocate funds from <u>under-spent items</u> set out in the approved budget to the <u>overspent ones</u> provided that the sum reallocated <b>does not exceed 15%</b> of the original budgeted expenditure for that item in the approved budget, and the reallocation does not result in any increase in the total approved grant.</p> <p>(b) For reallocation in excess of 15%, the Fund Recipient is required to seek <b>prior written approval</b> from the CSI Secretariat with full justifications.</p> <p>(c) <b>If no prior written approval</b> is obtained, the Fund Recipient may be required to <b>bear the amount exceeding the variation allowance of 15% of the budget item</b>.</p> <p>(d) For approved reallocation in excess of 15%, Fund Recipient is reminded that, if the actual expenditure of the item being allocated extra funds exceeds its revised budget, any further variation allowance for that item may not be approved, and the Fund Recipient may be required to bear the excess amount. Prior written approval from the CSI Secretariat is required should there be further budget reallocation before project completion.</p> <p>(e) For more details on project variation, the Fund Recipient can refer to Chapter X of the CSI Guide. The CSI Guide is available at the Download Area of the CSI website [<a href="https://www.csi.createhk.gov.hk">https://www.csi.createhk.gov.hk</a>].</p>

<p><b>(v) Adherence to the procurement procedures</b></p>	<p>(a) The Fund Recipient should require the staff involved in the procurement process to observe the requirements on declaration of conflict of interest. The Fund Recipient should avoid any conflict of interest situation in the procurement process, such as procuring goods/services from suppliers/service providers who are associates or associated persons of the Fund Recipient (or any of its directors and employees).</p> <p>(b) All procurements for goods and services should be carried out in an <b>unbiased, open and fair</b> manner.</p> <p>(c) The Fund Recipient is required to <b>comply with the procurement procedures</b> as set out in Paragraph 9.3 of the CSI Guide unless the CSI Secretariat agrees otherwise. The CSI Guide is available at the Download Area of the CSI website [<a href="https://www.csi.createhk.gov.hk">https://www.csi.createhk.gov.hk</a>].</p> <p>(d) Number of quotations required for different values :</p> <ul style="list-style-type: none"> <li>● At least <u>two</u> written quotations for procurement of value which is more than HK\$5,000 but below HK\$10,000;</li> <li>● At least <u>three</u> written quotations for procurement of value which is HK\$10,000 or more but below HK\$500,000;</li> <li>● At least <u>five</u> written quotations for procurement of value which is HK\$500,000 or above;</li> <li>● In all the three scenarios mentioned above, if the specified number of quotations have been invited but less than the specified number of quotations is obtained, the result of the quotation exercise should be personally endorsed by the Project Coordinator. In any case, the lowest bid should be selected. If the lowest bid is not selected, full justifications must be given and properly documented.</li> </ul> <p>(e) The Fund Recipient is required to seek the CSI Secretariat’s prior written approval for any procurement of goods or services from one supplier/service provider with full justifications.</p> <p>(f) The Fund Recipient should incorporate the sample probity clauses (Annex) in all quotation invitation documents for procurements for goods and services based on the</p>
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	<p>“Strengthening Integrity and Accountability – Government Funding Schemes Grantee’s Guidebook” [<a href="https://cpas.icac.hk/EN/Info/Lib_List?cate_id=43&amp;id=142">https://cpas.icac.hk/EN/Info/Lib_List?cate_id=43&amp;id=142</a>] issued by the Independent Commission Against Corruption (ICAC Guidebook) prohibiting bidders from offering or soliciting bribes in relation to the bidding exercise.</p>
<p><b>(vi) Hire of staff</b></p>	<p>(a) The Fund Recipient should avoid any conflict of interest situation in the recruitment process, such as hiring project staff who are associates and associated persons of the Fund Recipient (or any of its directors and employees).</p> <p>(b) The Fund Recipient is required to abide by the principle of <b>openness and competitiveness</b> in hiring staff for the approved project and comply with the requirements as listed in the ICAC Guidebook [<a href="https://cpas.icac.hk/EN/Info/Lib_List?cate_id=43&amp;id=142">https://cpas.icac.hk/EN/Info/Lib_List?cate_id=43&amp;id=142</a>] for hiring of project staff.</p> <p>(c) For the requirements of hiring of staff, the Fund Recipient can refer to Paragraph 9.4 of the CSI Guide. The CSI Guide is available at the Download Area of the CSI website [<a href="https://www.csi.createhk.gov.hk">https://www.csi.createhk.gov.hk</a>].</p>
<p><b>(vii) Requirement to acknowledge Create Hong Kong adequately in PR and project deliverables</b></p>	<p>(a) The Fund Recipient shall <b>acknowledge the funding support from Create Hong Kong</b> (CreateHK) in publicity and media events as well as in publications (including but not limited to press releases, promotional literatures, websites, etc.) issued to promote the project.</p> <p>(b) If CreateHK’s logo, and the names of CreateHK and CSI are used/mentioned in these publications, the Fund Recipient is required to <b>seek CreateHK’s approval</b> of the publications prior to production.</p> <p>(c) The following disclaimer, or otherwise advised by the CSI Secretariat, should also be included in any publications and media events related to the funded project —</p> <p style="text-align: center;"><i>“Disclaimer: The Government of the Hong Kong Special</i></p>

	<p><i>Administrative Region provides funding support to the project only, and does not otherwise take part in the project. Any opinions, findings, conclusions or recommendations expressed in these materials/events (or by members of the project team) are those of the project organisers only and do not reflect the views of the Government of the Hong Kong Special Administrative Region, the Culture, Sports and Tourism Bureau, Create Hong Kong, the CreateSmart Initiative Secretariat or the CreateSmart Initiative Vetting Committee.”</i></p> <p><i>“免責聲明：香港特別行政區政府僅為本項目提供資助，除此之外並無參與項目。在本刊物／活動內（或由項目小組成員）表達的任何意見、研究成果、結論或建議，均不代表香港特別行政區政府、文化體育及旅遊局、創意香港、創意智優計劃秘書處或創意智優計劃審核委員會的觀點。”</i></p>
<p><b>(viii) Collecting feedback via the CSI standard questionnaire</b></p>	<p>(a) For each project deliverable with general public/industry players as target beneficiaries, the Fund Recipient is required to provide a <b>standard questionnaire</b> to the users/participants/visitors of reasonable size to fill in.</p> <p>(b) Upon the completion of the project, the Fund Recipient is required to submit to the CSI Secretariat the summary of the questionnaire result in a <b>questionnaire result template</b> via the online system [<a href="https://www.createsmart.gov.hk/cfais/">https://www.createsmart.gov.hk/cfais/</a>].</p> <p>(c) The standard questionnaire and the questionnaire result template will be sent to the Fund Recipient via separate email.</p>
<p><b>(ix) Submission of progress report(s) (if applicable)</b></p>	<p>(a) For projects to be completed <b>more than one year</b> from the commencement date, the Fund Recipient shall <b>submit progress report(s)</b> in respect of the project.</p> <p>(b) Please refer to the Project Agreement and/or the Letter of Approval for the deadline(s) for submission of progress report(s) (if applicable).</p>

	<p>(c) Progress report(s) should be submitted via the online system [<a href="https://www.createsmart.gov.hk/cfais/">https://www.createsmart.gov.hk/cfais/</a>]. A template of the progress report is available at the Download Area of the CSI website [<a href="https://www.csi.createhk.gov.hk">https://www.csi.createhk.gov.hk</a>].</p>
<p>(x) <b>Submission of completion report</b></p>	<p>(a) Upon completion of the project, a completion report should be submitted <b>within four months</b> from the project completion date.</p> <p>(b) Please refer to the Letter of Approval for the deadline for submission of completion report. The Fund Recipient is required to ensure timely submission of the completion report.</p> <p>(c) The Fund Recipient is required to provide the following information/documents (if applicable) in the report:</p> <ul style="list-style-type: none"> <li>➤ <b>achievements</b> of each project deliverable, including the <b>actual number of participants/attendees/visitors</b> for each project deliverable;</li> <li>➤ <b>success cases</b> (e.g. number of business deals made, cases of commercialisation, number of international awards attained, awardees' achievements etc.);</li> <li>➤ <b>a list of media coverage</b> (please submit a set of media clippings if there is any); and</li> <li>➤ <b>media value</b> generated.</li> </ul> <p>(d) The completion report should be submitted <b>together</b> with the <b>duly signed audited account report and proper sponsorship proof (if any)</b>. In case they are separately submitted, the CSI Secretariat will take the date when all have been submitted to be the date of submission of the completion report.</p> <p>(e) Completion report should be submitted via the online system [<a href="https://www.createsmart.gov.hk/cfais/">https://www.createsmart.gov.hk/cfais/</a>]. A template of the completion report is available at the Download Area of the CSI website [<a href="https://www.csi.createhk.gov.hk">https://www.csi.createhk.gov.hk</a>].</p>
<p>(xi) <b>Submission of an audited account</b></p>	<p>(a) Upon completion of the project, an audited account report should be submitted <b>together</b> with the completion report <b>within four months</b> from the project completion date. The</p>

<p><b>report at completion report stage</b></p>	<p>audited account report, containing <b>the income and expenditure statement and a balance sheet</b>, should be prepared in accordance with the relevant laws of Hong Kong and the accounting standards.</p> <p>(b) The Auditor should carry out his work in compliance with the terms and requirements set out in "<b>CreateSmart Initiative - Notes for Auditors of Recipient Organisations</b>". The latest version of the Notes for Auditors is available at the Download Area of the CSI website [<a href="https://www.csi.createhk.gov.hk">https://www.csi.createhk.gov.hk</a>].</p> <p>(c) As stipulated in the Notes for Auditors, the Auditor is required to attach to the audited account report <b>a separate list of all the payable items including loans from creditors (breakdown list) set out under "Liabilities"</b> in the balance sheet of the audited account report.</p> <p>(d) The Auditor is also required to confirm if the Fund Recipient has complied with the terms and conditions of the Project Agreement in the implementation of the project.</p> <p>(e) The Fund Recipient should also let the Auditor have a copy of the Project Agreement and this Guide for reference.</p>
<p><b>(xii) Submission of a declaration on the settlement of the payable items three months after receiving the final funding instalment</b></p>	<p>(a) The Fund Recipient should submit to the CSI Secretariat <b>three months</b> after receiving the final funding instalment <b>a declaration on the actual amount paid and date paid for each of the payable items including loans from creditors as set out in the breakdown list contained in the audited account report.</b></p> <p>(b) The CSI Secretariat will examine the information provided in the declaration, and if there is <b>unspent balance</b> of the CSI Funds, the CSI Secretariat will issue a Demand Note to the Fund Recipient to demand for return of all residual CSI Funds to the Government.</p> <p>(c) If there are still outstanding payable items in the declaration submitted three months after receiving the final funding instalment, another declaration is required within three months after the first declaration.</p>

<p><b>(xiii) Compliance with Laws and Regulations</b></p>	<p>The Fund Recipient is obliged to conform in all respects with all legislation, regulations and by-laws in carrying out the Funded Activities, including, but not limited to, the followings:</p> <p>(a) <b>Observance of probity clause:</b> The Fund Recipient is obliged to observe the Prevention of Bribery Ordinance (Cap. 201) and advise its employees, sub-contractors, agents and other Personnel who are involved in the project that they are not allowed to solicit or offer or accept from any person any money, gifts or advantages as defined in the Prevention of Bribery Ordinance in relation to the project.</p> <p>(b) <b>Visa Applications:</b> Under the requirement as stipulated in Section 2 of the Immigration Regulations (Cap 115A), non-local guests invited or engaged to participate in project events that are held in Hong Kong in the roles of speakers, officiating guests, judges, workshop leaders etc. should normally be in possession of a valid short-term employment visa/entry permit. It should be noted that a person permitted to enter Hong Kong as a visitor may also attend an event to deliver speech(es)/presentation(s) subject to the following conditions being met:</p> <ol style="list-style-type: none"> <li>(1) he/she will not be remunerated for speaking/presenting at the event (other than provision of accommodation, passage, meals, etc. relating to the event, or the reimbursement of such expenses);</li> <li>(2) the duration of the event should be no longer than seven days; and</li> <li>(3) he/she can only attend one such event to deliver speech(es)/presentation(s) during each period of permitted stay.</li> </ol> <p>The arrangement applies to all visitors, regardless of their country or territory of origin (but subject to the visa/entry permit requirement for visit, where applicable, under the prevailing immigration policy.) For applications for employment visa/entry permit and further enquiries, please contact the following sections of the Immigration Department:</p>
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	<p>For Mainland residents Quality Migrants and Mainland Residents Section Tel : 2294-2048</p> <p>For foreigners and residents of Macao and Taiwan Employment and Visit Visas Section Tel : 2294 2095</p>
<p><b>(xiv) Obligations and Code of Conduct</b></p>	<p>The Fund Recipient’s Obligations and Code of Conduct are as follows:</p> <p>(a) As government funds involve public monies, there is high public expectation on the Fund Recipients to adhere to a high standard of integrity and spend the monies in an open, fair and accountable manner.</p> <p>(b) Directors and staff members of the Fund Recipient’s organisation should avoid any conflict of interest situation (i.e. situation where their private interest conflicts with the interest of the organisation) or the perception of such conflicts. They should not misuse their position or authority in the organisation to pursue their own private interests. Private interests include both financial and personal interests of directors/staff members and those of their connections including family and other relations, personal friends, the clubs and societies to which they belong, and any person to whom they owe a favour or are obligated in any way. When actual or potential conflict of interest arises, the director or staff member should make a declaration to the management through the Fund Recipient’s organisation’s reporting channel. Failure to do so may give rise to criticism of favouritism, abuse of authority or even allegation of corruption.</p> <p>(c) Fund Recipient shall refer to the ICAC Guidebook [<a href="https://cpas.icac.hk/EN/Info/Lib_List?cate_id=43&amp;id=142">https://cpas.icac.hk/EN/Info/Lib_List?cate_id=43&amp;id=142</a>] covering procurement of goods and services, recruitment and management of project staff, and the associated financial and accounting controls, etc.) for formulating a practical set of internal guidelines suitable for Fund Recipient’s organisation structure, resource capability, risk exposures, and operational</p>

	<p>needs, in utilising the funds for the intended purposes.</p> <p>(d) Fund Recipient shall duly promulgate the requirements set out in the Project Agreement and its internal guidelines for compliance by its directors, staff and agents. In particular, it is important to regularly bring up the requirements on avoiding conflict of interest and declaring actual or potential conflict of interest for compliance throughout the course of carrying out the project (e.g. procurement, recruitment, etc.).</p> <p>(e) Fund Recipient shall put in place a system to check and ensure compliance by its directors, staff and agents. Fund Recipient shall report to the CSI Secretariat if irregularities are identified.</p>
<p><b>(xv) Measures for handling non-compliance cases</b></p>	<p>(a) The Government reserves the right to require the Fund Recipient to return project funds, in whole or in part, together with interest to accrue if any of the following events occur:</p> <ul style="list-style-type: none"> <li>➤ non-compliance with all or any of the terms and conditions as set out in the Project Agreement; or</li> <li>➤ without prejudice to the generality of the foregoing, any project funds not having been expended in accordance with Chapter XI (Unallowable Costs) of the CSI Guide; or</li> <li>➤ any warranty or representation made by the Fund Recipient in its application or in the project agreement or in the completion report is incorrect, incomplete or false.</li> </ul> <p>(b) Regardless of whether termination or suspension is to be imposed on the project applicant, apart from requiring the Fund Recipient to return project funds, the Government reserves the right to impose measures in case of the Fund Recipient’s non-compliance with all or any of the terms and conditions set out in the project agreement. Depending on the gravity of the non-compliance concerned and unique circumstances of each case, the Government may impose measures including, but not limited to the following:</p> <ul style="list-style-type: none"> <li>➤ issue of reminder to the Fund Recipient;</li> <li>➤ issue of warning letter to the Fund Recipient;</li> <li>➤ withholding of payment to the Fund Recipient; and</li> </ul>

	<p>➤ debarment of the Fund Recipient from future applications.</p> <p>(c) For details of measures for handling non-compliance cases, the Fund Recipient can refer to Paragraph 10.3 of the CSI Guide. The CSI Guide is available at the Download Area of the CSI website [<a href="https://www.csi.createhk.gov.hk">https://www.csi.createhk.gov.hk</a>].</p>
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Please note that **this Quick Reference Guide only highlights the important aspects** for actions and attention on the part of the Fund Recipient. The Fund Recipient should **read the CSI Guide and the Project Agreement in full for all terms and conditions** that they have to comply with. A template of the Project Agreement is available at the Download Area of the CSI website [<https://www.csi.createhk.gov.hk>].

**IMPORTANT NOTE - Test check will be arranged by CreateHK to ensure that the Fund Recipient is complying with the terms and conditions set out in the CSI Guide and the Project Agreement.**

If there is any query, please contact the CSI Secretariat at [createsmart@createhk.gov.hk](mailto:createsmart@createhk.gov.hk).

CSI Secretariat  
Create Hong Kong

**Sample probity clauses in quotation invitation documents for procurements for goods and services extracted from the ICAC Guidebook**

- (1) The [*bidder/tenderer*] shall not, and shall procure that his directors, employees, agents and sub-contractors shall not, offer, solicit or accept an advantage as defined in the Prevention of Bribery Ordinance (Cap. 201), in connection with the [*quotation/tendering*] and execution of this contract.
- (2) Failure to so procure or any act of offering, soliciting or accepting advantage referred to in (1) above committed by the [*bidder/tenderer*] or by a director, employee, agent or sub-contractor of the [*bidder/tenderer*] shall, without affecting the [*bidder/tenderer*]'s liability for such failure and act, result in his [*quotation/tender*] being invalidated.