

## **Quick Reference Guide of CreateSmart Initiative (CSI)**

***(For non-design projects)***

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

<b>Points to Note</b>	<b>Explanatory Notes</b>
<b>(i) Keeping of a designated bank account for the project</b>	<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 HK\$ 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. All withdrawals from the designated bank account shall only be made by the Fund Recipient's authorised signatory whose appointment has been notified by the Fund Recipient to the Government in writing at least fourteen (14) days before the effective date of such authorised signatory's appointment. The Fund Recipient shall notify the Government of any intended change of the authorised signatory of the designated bank account in writing at least fourteen (14) days before such change takes effect. 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</b></p>

	<p><b>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> <p>(g) All withdrawals from the designated bank account shall only be made by the Fund Recipient’s authorised signatory.</p>
<p><b>(ii) Proper Keeping of financial statements, books and records, invoices and receipts, quotations and tendering documents of the project</b></p>	<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 project completion date 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</p>

	<p>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>
<p><b>(iii) Seeking the CSI Secretariat’s prior approval on any project variation</b></p>	<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 commencement or completion dates, key project staff or key equipment, scope, methodology, project deliverables in terms of nature, scale etc., budget, sponsorship, income or cash flow projection etc.) will require <b>prior approval</b> by the CSI Secretariat. All variation should be well justified.</p> <p>(c) If no prior approval is obtained, the Fund Recipient may 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 [<a href="http://www.createhk.gov.hk/en/services/files/CSI_Guide_e.pdf">http://www.createhk.gov.hk/en/services/files/CSI_Guide_e.pdf</a>] and <b>avoid misusing</b> the CSI funds for these items.</p>
<p><b>(iv) Seeking the CSI Secretariat’s prior 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 approval</b> from the CSI Secretariat with full justifications.</p>

	<p>(c) <b>If no prior approval</b> is obtained, the Fund Recipient may need to <b>bear all variation exceeding the 15% variation allowance</b>.</p> <p>(d) For more details on project variation, the Fund Recipient can refer to Chapter X of the CSI Guide:  <a href="http://www.createhk.gov.hk/en/services/files/CSI_Guide_e.pdf">[http://www.createhk.gov.hk/en/services/files/CSI_Guide_e.pdf]</a></p>
<b>(v) Adherence to the procurement procedures</b>	<p>(a) All procurements for goods and services should be carried out in an <b>unbiased, open and fair</b> manner.</p> <p>(b) The Fund Recipient is required to <b>comply with the procurement procedures</b> as set out in Clause 9.2 of the CSI Guide  <a href="http://www.createhk.gov.hk/en/services/files/CSI_Guide_e.pdf">[http://www.createhk.gov.hk/en/services/files/CSI_Guide_e.pdf]</a> unless the CSI Secretariat agrees otherwise.</p> <p>(c) No of quotations required for different values: <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 leave <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, the lowest bid should be selected. If the lowest bid is not selected, full justifications must be given and recorded.</li> </ul> </p> <p>(d) The Fund Recipient is required to seek the CSI Secretariat's prior approval for any procurement of goods or services from one supplier/service provider with full justifications.</p>
<b>(vi) Hire of staff</b>	<p>(a) The Fund Recipient is required to abide by the principle of <b>openness and competitiveness</b> in hiring staff for the approved project.</p>
<b>(vii) Requirement to</b>	<p>(a) The Fund Recipient shall <b>acknowledge the funding support</b></p>

<p><b>acknowledge Create Hong Kong adequately in PR and project deliverables</b></p>	<p><b>from Create Hong Kong (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.</b></p> <p>(b) If CreateHK’s logo, and the names of CreateHK and CSI are mentioned in these publications, the Fund Recipient is required to <b>seek the CSI Secretariat’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><i>“The Government of the Hong Kong Special 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 organizers only and do not reflect the views of the Government of the Hong Kong Special Administrative Region, the Communications and Creative Industries Branch of the Commerce and Economic Development Bureau, Create Hong Kong, the CreateSmart Initiative Secretariat or the CreateSmart Initiative Vetting Committee.”</i></p> <p><i>“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、商務及經濟發展局通訊及創意產業科、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</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 /</p>

<p><b>questionnaire</b></p>	<p>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://www2.createsmart.csi.gov.hk/menu.asp">[https://www2.createsmart.csi.gov.hk/menu.asp]</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://www2.createsmart.csi.gov.hk/menu.asp">[https://www2.createsmart.csi.gov.hk/menu.asp]</a>. A template of the progress report can be downloaded from the following website:  <a href="http://www.createhk.gov.hk/en/services/files/CSI_Progress_Report.pdf">[http://www.createhk.gov.hk/en/services/files/CSI_Progress_Report.pdf]</a></p>
<p><b>(x) 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 no. of participants / attendees / visitors</b> for each project deliverable;</li> <li>➤ <b>success cases</b> (e.g. no. of business deals made, cases of commercialisation, no. 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</b>. In case they are separately submitted, the CSI Secretariat will take the date when both 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://www2.createsmart.csi.gov.hk/menu.asp">https://www2.createsmart.csi.gov.hk/menu.asp</a>]. A template of the completion report can be downloaded from the following website:  <a href="http://www.createhk.gov.hk/en/services/files/CSI_Completion_Report.pdf">[http://www.createhk.gov.hk/en/services/files/CSI_Completion_Report.pdf]</a></p>
<p><b>(xi) Submission of an audited account report at completion report stage</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 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 can be downloaded from the following website:  <a href="http://www.createhk.gov.hk/en/services/files/Notes for Aud">[http://www.createhk.gov.hk/en/services/files/Notes for Aud</a></p>

	<p><a href="#">itors.pdf</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) Observance of probity clause</b></p>	<p>(a) 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</p>



	accept from any person any money, gifts or advantages as defined in the Prevention of Bribery Ordinance in relation to the project.
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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 can be downloaded from the following website:

[\[http://www.createhk.gov.hk/en/services/files/Project\\_agreement\\_sample.pdf\]](http://www.createhk.gov.hk/en/services/files/Project_agreement_sample.pdf)

**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