

16 Sep 2024

Dear Sir / Madam,

**Correct Usage of CDA Monies and Adherence to the Approved Person/ Approved Institution Terms and Conditions.**

Following the Auditor-General's Office (AGO)'s audit of parenthood support measures, AGO observed unusual withdrawals from Child Development Accounts (CDAs), the fabrications of records by one Approved Institution (AI), and inadequate monitoring of AIs and CDA withdrawals. (Please see [MSF press release](#) on this).

2 This circular is to remind all Approved Persons (AP) of Baby Bonus AIs of their responsibility to ensure that funds from the CDA are withdrawn for the approved uses.

Approved Uses of CDA

3 CDA funds can only be used for services rendered by and purchases made at AIs that are **strictly for the benefit of the child and/or their siblings**. The approved uses of CDA are summarised in the Annex.

4 If you have allowed CDA withdrawals to be used for non-approved expenses, please stop such practices and inform MSF immediately at [MSF Babybonus\\_CDAUses@msf.gov.sg](mailto:MSF_Babybonus_CDAUses@msf.gov.sg).

Obligations of APs under the AP/AI Terms and Conditions

5 Every AP is required to comply to the AP/AI Terms and Conditions (<https://go.gov.sg/apai-tncs>), which include but not limited to the following:

- a. **Keeping proper records of CDA transactions for a period of 3 years**, starting on the date on which any payment out of the CDA or any refund to the CDA is made. The records are to be maintained in a format which can be retrieved for checks/verification. You may use the checklist as attached for reference on the information to be kept.
- b. **Updating MSF on changes in the AP, particulars, organisation or management of AI within 7 working days of such change**. The update can be done via MSF's AI Portal at <https://www.babybonus.msf.gov.sg/ai/pages/home.aspx>.

6 MSF values your partnership and look forward to your strict compliance of the terms and conditions as AP/AI. MSF will continue to perform routine checks on CDA transactions and will not hesitate to take actions against an AP/AI, including suspending or revoking the approval granted to the AP, if there is any potential breach of the CDCA, CDCR and AP/AI Terms and Conditions.

Regards

Sylvester Koh  
Deputy Director  
Family Life Group – Services (Baby Bonus)  
Ministry of Social and Family Development

Table: Summary of Approved Uses of CDA

Approved Category	Approved Uses
Childcare/ Kindergarten/ Early Intervention Programmes/ Special Education	<ul style="list-style-type: none"> <li>• Basic fees</li> <li>• Approved Indirect Expenses listed in Appendix 1 of the AP/AI Terms and Conditions</li> </ul>
Medical institutions	<ul style="list-style-type: none"> <li>• Medical services provided by a medical practitioner employed by the approved medical institution</li> </ul>
Pharmacy	<p>Pharmaceutical items under:</p> <ul style="list-style-type: none"> <li>• Medication prescribed by a qualified practitioner or dispensed by an in-store pharmacist;</li> <li>• Surgical products;</li> <li>• Over-the-counter medication;</li> <li>• Dermatological products; and</li> <li>• Vitamins and health supplements</li> </ul>
Optical Shops	<ul style="list-style-type: none"> <li>• Optical appliances</li> <li>• Optical-related eye care products and services provided by an optometrist/ optician</li> </ul>
Assistive Technology Devices (ATD)	<ul style="list-style-type: none"> <li>• Payment for purchase/rental of ATDs and accessories as recommended by a medical practitioner, allied health professional or social worker</li> <li>• Payment for maintenance/repair of ATDs</li> <li>• Payment for professional assessment services in relation to the purchase/rental/loan of ATDs</li> </ul>

# CDA RECORD KEEPING CHECKLIST

ADAPTED FROM APPROVED PERSON/APPROVED INSTITUTION TERMS AND CONDITIONS (CLAUSES 6.10 & 6.11)

For every CDA deduction and refund made, AP is required to keep a record of the following for up to 3 years<sup>1</sup> from the deduction/refund date:

- ✓ CDA account number;
- ✓ Particulars of the beneficiary of this transaction;
- ✓ Document or information relied on to verify the relationship between the child and his sibling, if payment is made for the benefit of the sibling;
- ✓ Deduction/refund amount;
- ✓ Deduction/refund mode (CDA GIRO or CDA NETS);
- ✓ Deduction/refund purpose; and
- ✓ Deduction/refund date.

<sup>1</sup> Unless otherwise specified by MSF.