

**2019 BUDGET GUIDELINES FOR
SUMMER DAY PROGRAMS**

This version replaces the guidelines previously dated April 2018

For copies of this document, and future updates and/or corrections, please contact

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Purpose and Overview

The primary purpose of these guidelines is to assist the user in understanding the budget process and assist in completing the budget accurately. This document also provides an overview of the City's funding responsibilities in the child care field and a brief outline of the budget analysis conducted by the Children's Services Consultant.

Budgets and Their Use to Service Providers and the Division

Budgets are basic planning tools used by organizations. They provide the user with an overview of operations within an organization. The Children's Services Consultant uses the annual budgets to ensure that service providers to which the City extends funds are accountable for their authorized use. The per diem rates/funding paid to the service providers with whom the City has a Service Agreement, are set based on budgeted cost information. As a result, ensuring the reasonableness of the budget information submitted by funded organizations is of critical importance.

What is Budget Analysis?

Toronto Children's Services ("TCS") analyzes all of the information in the submitted budget to ensure reasonableness. The analysis also includes a review of the sustainability of the program's operating plan and overall financial health of the agency. The analysis is conducted based on the Consultants knowledge of the child care field, the operations of specific programs, and application of the City's relevant guidelines and policies. The amounts budgeted for the current year are also compared to the prior year's approved amounts and actual performance to identify significant variances, which may require follow-up.

City of Toronto Funding Responsibilities

Toronto Children's Services ("TCS") enters into service agreements with various types of organizations that provide services for children in the City of Toronto. These organizations are required to submit a budget for each location funded, which will then be analyzed by Children's Services Consultant.

The City enters into Service Agreements with agencies who provide Summer Day Programs that offer a range of activities during the summer for children in local communities. Agencies contracted to provide these programs must meet the requirements of the City's "[Standards for Summer Day Programs](#)".

Service Provider/Agency Responsibilities – Budget

Service providers are required to submit various reports/documents etc. to TCS each year. For information on the reporting requirements and submission deadlines, please refer to the current year Business Cycle, which is available on the '[Contract & Financial Information](#)' web page.

Submission of Operating Budget

All service providers of Summer Day Programs must submit a realistic operating budget for each location that receives funding. Preparing an operating budget is a process that requires the organization's management to plan for the current year, taking into account actual financial performance of the prior year, as well as any planned changes to the agency's operations. Entering

the details of the program's budget into the TCS budget template is one aspect of an organization's budgeting process and should not be the extent of the organization's process of planning for the budget period.

Funding approved by the City is based on the program's planned operations as outlined in their approved budget for the period. Any changes to the program's service levels, staffing levels, public fees, or days of operation may impact the Agency's funding indicated in their Service Agreement and Schedules.

Agencies should discuss in advance, any planned changes to the agency's operations (e.g. staffing levels, service levels, or days of operation) with their Children's Services Consultant. The Consultant can advise the Agency of whether changes to operations will impact funding levels, whether an application to amend the Agency's Service Agreement is required, and the timing of any changes to the Agency's Service Agreement and/or funding.

Since 2016, service providers in receipt of funding for summer day programs are required to submit a budget every three years. The 2019 budget will be used to determine the funding level for 2019, 2020, and 2021. Funding for each year is contingent on available funding in the Toronto Children's Services operating budget as approved by Council.

Children's Services may request an agency to submit an annual budget for summer day program funding if there are significant changes to service levels or actual revenue/expenses during the three-year budget cycle. Agencies required to submit an annual budget for summer day program funding will be notified in writing. In order to remain eligible for funding for 2019, service providers will be required to notify Children's Services in writing of their intention to operate a summer day program by May 10th of each year. i.e. by May 10, 2020 for 2020 funding. Service providers will also be required to submit updated information regarding current board members, fees charged to parents, days of service and number of children served, etc. by May 10th of each year. Please refer to the cover page of the 2019 Budget Package for more information.

- Organizations must provide required supporting documentation including evidence that indicates reasonableness of allocated expenses, such as rent expense budgeted based on square footage occupied.
- The agency must inform the Consultant immediately of changes to staffing levels, enrolment/capacity levels, or any other changes that may affect the approved budget, such as change in occupancy cost, as these may affect the funding level.
- The operator/administrator must inform the Children's Services Consultant immediately when decisions are made to implement changes to the fee charged to the public.
- The agency must notify the Consultant of any decision to close the summer day program for days over and above the number of closure days approved in the budget.

Service Provider/Agency Responsibilities – Finance

In accordance with City policies and applicable Provincial guidelines, all programs must provide Children's Services with audited financial statements within four months of the organization's fiscal year end if they receive \$20,000 or more funding within a calendar year:

When an agency operates multiple programs/locations, the funding threshold is set at the agency level.

Agencies who are unable to meet the audit submission deadline must submit an extension request in writing to their Children's Services Consultant, in advance of the deadline. The extension request should include the reason for the extension as well as the anticipated submission deadline. Failure to submit an audit in the specified format will result in sanctions being applied.

For more information on the required format of the audited financial statements, please refer to the Audit Guidelines for Childcare Agencies, which can be found at www.toronto.ca/children/operators.

Governance

- Non-profit agencies shall submit a copy of the Annual General Meeting Minutes each year. The minutes shall include the approval of previous year's AGM minutes, approval or availability of previous years audited financial statements, election of the Board of Directors and appointment of the auditor.
- Two Signing Officers are required for cheque signing purposes in a non-profit organization

Insurance

- As insurance coverage is renewed, a copy of the updated certificate must be submitted to the Consultant
- The current minimum level for general liability insurance is \$2 million.
- The certificate must list all locations in receipt of funding from the City, contain a cross liability clause, and name the City as an additional insured.

Documentation

- A number of supporting documents must be submitted with the annual budget in order to determine funding levels for the year. Failure to submit the required information may result in sanctions being applied.
- These documents are reviewed to assess the reasonableness of the nature, type, and amount of expenses incurred.
- As per the Agency's service agreement with the City, the agency must make financial and enrolment records available to City staff upon request. The City may request access to the Agency's records any time during the term of the service agreement and for seven years after the expiry or termination of the agreement.
- A Summer Day Program Statistics form must be submitted by September 21nd for each year summer day funding has been received. i.e. September 21, 2019.

Overpayment

- Children's Services must be informed of any overpayments made by the City and these should be returned to the City within the stated period.

2019 Budget for the Provision of Summer Day Programs

A budget must be submitted for each location providing summer day programs. Please indicate the name of the location on the front cover, as well as the agency name. This budget should be submitted by May 10, 2019 and approved funding will apply to 2019, 2020, and 2021.

Current Officers of the Board/Organization – Page 1 (Board)

Complete the required information on page 1 of the budget package. A separate listing with all names, addresses, and phone numbers of Board Members can be attached if a listing already exists. Any changes to the Board Members in 2019 must be submitted to Children's Services. This also applies to changes in Signing Officers.

Agencies will be required to confirm the Current Board Members or Signing Officers for 2019 by May 10, 2019.

Days of Service and Children Served – Page 2 (Info)

Complete the required information on page 2 of the budget package, including the ages of children served and the different age groups served.

List the start and end date for year 2019, and the dates the summer day program is closed in 2019 when the program is not available to families. Then determine the total days the summer day program is open and the program is available. Provide information on the sessions offered over the summer, noting the start and end date of each session and the capacity of each session. The information on this form will assist Children's Services staff in providing accurate information on the summer day program to families.

Agencies will be required to confirm the days of service and number of children served for 2019 by May 10, 2019.

Staffing and Administration Information – Page 3 (Staff)

Salaries, wages, and benefit costs compose a large majority of expenses in a service organization. Therefore, the Consultant will focus their attention in this area and require specific detail relating to this category to complete their analysis.

Salary Guidelines

No individual salary can exceed the maximum salary paid by the City for equivalent job requirements. A full time equivalent (FTE) staff is one who works 35 hours a week. Where staff work less than 35 hours a week, the maximum allowable salary is pro-rated based on the number of hours worked in the week.

Salaries should include all wage grants and pay equity. Salaries for untrained program staff cannot exceed the maximum paid by the City for untrained staff, regardless of years of service. Untrained staff salaries may be allowed to be above the City's maximum only in circumstances where there has been a pay equity settlement and in this case, a copy of the pay equity plan must support this claim.

The minimum hourly wage payable must comply with minimum wage requirements.

For reference, in 2019 the maximum hourly rate (based on 35 hours a week) for Assistant (Non-RECE) is \$29.63, RECE Teaching Staff Grade 2 or equivalent trained is \$34.17, RECE Teaching Staff

Grade 1 / Assistant Supervisor or equivalent trained is \$38.02, Supervisor is \$57.44 and Administration is \$66.30

Program Staff

List all the senior and junior program staff that work at the site and provide the required information for each individual.

Program Coordinator/Supervisor

Provide the required information for the Program Coordinator or Supervisor. Only the salary related to the hours of supervision provided to the summer day program should be provided in this section. If the Program Coordinator/Supervisor also works as a program staff, the salary related to their hours working in the program should be provided in the section for program staff.

Estimated Number of Full Time Equivalent Volunteers

Provide the total daily volunteer hours. To determine the full time equivalent number of volunteers per day, divide the total daily volunteer hours by the standard number of hours worked by program staff per day.

Staff Benefits

Provide the total cost of staff benefits, including vacation pay, for all staff employed in the summer day program.

Administration

Administration costs are allowed for a variety of administrative responsibilities such as bookkeeping, clerical assistance, as well as the Executive Director of the program, provided the costs fall within the maximum allowable costs for administration.

The maximum allowable administrative salary/cost may be shared by more than one individual involved in administrative duties and may include contracted bookkeeping services.

If salaried employees provide administrative services, details regarding the employee's name, position, salary, etc. should be provided in the section titled Administration.

If contractors provide administrative services, (e.g. contracted bookkeeper or accountant) the amount for the contracted service should be reported in the section titled Contracted Administration.

Multi-service organizations may incur central administration costs that are allocated to various programs or locations. The central administration costs incurred for summer day programs in a multi-service organization should be reported under the section titled Allocated Central Administration. This amount will be reviewed for reasonableness as part of the budget analysis process.

The agency must provide clear evidence to support the reasonableness of the allocation. The onus of providing this evidence rests with the agency.

Operators with multiple sites must provide details regarding allocated central administration costs, including staff name(s), job duties, salary, etc.

Revenue – Page 4 (Rev)

The page captures the amount and type of program income received by the summer day program. Please provide the estimated amount of income for the applicable income categories. Projected revenue should be based on current City funding and other revenue sources.

A separate revenue line for **City of Toronto, Recreation Grant** is included in the 2019 budget. Agencies receiving the Recreation Grant (Major or Minor Recreation) from City of Toronto, Social Development, Finance, and Administration Division must input the grant amount on this line. Children's Services will be responsible for administering this fund. The Schedule 5 for these agencies will reflect the combined total funding from Children Services and Recreation Grants. This will become the funding envelope from the City.

Operating Budget – Page 5 (Budget)

Revenue totals are transferred from page 4 of the budget package.

Prior Year Approved (Column A)

Record the expenses approved in the prior year's budget in Column A (refer to the Approved Column C in the prior year's approved Budget Submission Report).

Prior Year Actual (Column B)

Record the actual expenses incurred for the prior year in Column B.

Current Year Budget (Column C)

Record the estimated expenses for 2019 in Column C. Projected expenses should include salary increases (carried forward from page 3) and other planned increases in operating expenses.

The budgeted amounts in Column C will be used to determine the summer day program funding for 2019, *contingent on available funding in the annual Children's Services operating budget as approved by Council*

Surplus/(Deficit)

The surplus/(deficit) line allows agencies to report any planned over or under expenditure for 2019. When completing the 2019 budget, agencies should endeavour to balance budgeted expenditures against anticipated revenues and avoid submitting a deficit budget.

Expenses

The salaries, wages, benefits, and administration costs are transferred from page 3 of the budget package.

Other expenses not already captured in page 3 of the budget package should be reported in this section.

Volunteer Costs

Report costs related to recruitment and training of volunteers for the summer day program.

Program Related Expenses

Program related expenses include program supplies, arts and crafts supplies, gross motor equipment, sports equipment, repairs, and maintenance to equipment, field trip costs, and food costs.

Occupancy Cost

Agencies submitting budgets with occupancy costs must provide a breakdown of all amounts included in this expense category. E.g. rent, permit costs, utilities, etc.

If rent/permit costs have been included, a copy of the current lease(s) must be submitted to the Consultant to support the expense included in the budget package.

In certain cases, a lease letter is acceptable. This letter must be updated annually and must include the following:

- amount of rent expense;
- address of the rental property, which must correspond to the location of the summer day program;
- length of the lease; and
- description of space being used for the summer day program, or the amount of square footage being used, or the percentage of building occupancy. If the percentage of the building occupancy is included, it must be reasonable compared to the actual space used by the program, as verified during the Consultant's visit.

In addition, the lease letter or lease must be signed, dated, and be on the letterhead of the landlord/property management company/property owner.

Utilities/Maintenance

Include costs for utilities and maintenance and for the repair and upkeep of the space in which the summer day program is located.

Insurance

Include costs related to general liability coverage of not less than \$2 million and coverage for Director's liability.

Office Related Expenses

Include items purchased for office use such as advertising, telephone, bank charges, and business taxes.

Professional Fees

Professional fees include audit and legal fees. It does not include bookkeeping costs, which are to be reported in administration (salaried or contracted).

Training and Development

Include staff training and development, conferences, and resource material costs.

Business Travel

Include costs for business travel for agency staff to attend meetings, workshops, etc.

Other Costs

Include any other costs that are unique to the summer day program which are not already itemized as an expense in the budget. These costs must be specified and would include such items as subscriptions to journals and magazines, memberships, and parent/board expenses. Expenses related to school buses and bad debts are not allowable.

Additional Information – Page 6 (Rates)

Complete the information as outlined. Provide an explanation in the event a surplus or a deficit is projected. List parent fees to be charged, any additional fees and for what purpose.

Submitting the 2019 Budget Package

The 2019 Budget Package should be completed using Microsoft Excel. The 2019 budget guidelines and forms are available on the [TCS website](#). Under the heading "Key Information", click "[Contract & Financial Information \(Budget Guides & Forms\)](#)".

The Budget Package must be approved by the Board of Directors and signed by a Signing Officer of the Board. Please send the **original signed copy** of the budget package, including all supporting documents by **May 10th** in 2019 to the address below:

Faye Jose, Director, Contract & Financial Management
Toronto Children's Services
Metro Hall, 10th Floor
55 John Street
Toronto, ON M5V 3C6

Please retain a copy of the budget package and supporting documents at the agency for your files.

If you have any questions about the 2019 budget packages, please contact your Children's Services Consultant.