

What are the Child Care Operating Standards?

The Child Care Operating Standards (CCOS) is a tool to provide information and guide the day to day operations of a child care centre.

The CCOS has been written to support:

- Agencies in meeting the requirements of their Service Agreement with Toronto Children's Services
- Collaborative discussions between agencies and Toronto Children's Services' District Consultants about an agency's practices that focuses on quality service standards and financial viability
- Agencies in achieving and maintaining compliance as well as improve child care service standards by recommending best practice tips

Why is it important to have Operating Standards for Child Care Centres and Agencies?

The CCOS was developed to provide clear and consistent expectations for child care centres and agencies as well as encourage purposeful and strategic conversations to support capacity building, professional learning and continuous service improvements.

The policies and practices outlined in this document support decision making and enable an Agency to have reliable information for managing and monitoring operations. Child Care Agencies can use the CCOS to support operations of a quality program, a financially viable business, and develop an operating plan.

How is the Child Care Operating Standards document structured?

Intent	Provides a description of the focus for that particular Standard
Reflective Questions	Each Standard includes questions that support agencies in reflecting on and enhancing policies and/or practices in addition to promoting two-way discussions with District Consultants
Best Practice Tips	Practical best practice examples of ways to implement Standards
Standards of Practice	Clear articulation of the Service Agreement expectations and requirements

How will the Child Care Operating Standards be used?

The Child Care Operating Standards (CCOS) were designed to serve as a resource document for Agencies as well as provide an outline of what agencies can expect during the District Consultant's visit. District Consultant's will review your practices to ensure they are in line with the CCOS. These practices must be reflected in the Agency's policies and District Consultant's may review the policies as required.

Child Care Supervisors, Administrators, Management staff and Board of Directors will be expected to review the CCOS document to stimulate dialogue, identify areas of improvement and create action plans to meet requirements of their Service Agreement.

Once a year, Toronto Children's Services' District Consultants will schedule a visit with agencies and complete a review of a child care agency's [Fees and Attendance reconciliation](#)

District Consultants will conduct a bi-annual review of the following Standards, but not limited to:

- [Fees and Attendance \(Standard #1\)](#)
- [Petty Cash \(Standard #3\)](#)
- [Signing Authority \(Standard #6\)](#)
- [Bank Account Reconciliation \(Standard #7\)](#)
- [Governance \(Standard #11\)](#)
- [Withdrawal \(Standard #18\)](#)

New Agencies:

All new agencies must meet the standards of practice in the six standards mentioned above prior to entering into a service agreement with Toronto Children Services. All standards will be reviewed with the agency within six months of operations.

To support the provision of high quality child care service standards, the District Consultant, in partnership with the child care agency, will engage in meaningful discussion, support decision making, acknowledge good practice, and if necessary, develop an action plan to promote service excellence

How will the Child Care Operating Standards be measured?

The Child Care Operating Standards (CCOS) are not intended to be a quantitative assessment of a child care agency's operations. There is no scoring method applied to the CCOS.

The standards are intended to be used as a resource and reflective tool to identify any areas of improvement and meet the requirements of an agency's Service Agreement in partnership with their District Consultant.

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1. Fees & Attendance

Intent:

To ensure the Agency has a policy and procedures in place for the purpose of correct payment from the City to the Agency, accuracy of attendance tracking and correct billing of parent portion of fees.

Reflective Questions:

- What is your process, and who is involved, in collecting parent fees?
- What is your process for monthly attendance reporting for both full fee and subsidized families and how do you ensure that absent days are reported accurately?
- What is your process for managing fees for families in receipt of subsidy, including families with nil fees?
- How do you address outstanding fees?
- Do you accept cash payments? If yes, how are these payments processed?
- Who is responsible for reviewing monthly attendance submission and comparing with room attendance?
- Are there any charges in addition to the posted fee memo or a family's assessed fee?

Best Practice Tips:

- Parents are provided a monthly invoice
- Credit/debit/cheque transactions are preferred over cash
- More than one person reviews fee & attendance reporting, including documents that are available on Online Services
- Attendance submissions to Toronto Children's Services are audited for accuracy by the agency, and completed weekly
- Notify families when their absent days are reaching their maximum allowable absent days

Standards of Practice

The Agency's policy and procedures include, but are not limited to:

- Process for collecting fees and how outstanding fees are managed
- Process for recording attendance
- Process for completing monthly fee and attendance reconciliations to prevent discrepancies.
- Process for Non-Sufficient Funds (NSF) cheques

Fee records and/or parent invoices are issued and include:

- Name of child
- Name of parent

Standards of Practice

- Age group
- Daily Rate/ Monthly Rate/ Assessed Fee
- Monthly amount owing
- Monthly amount paid
- Balance at the end of the month

Fee Memo

- Current fee memo generated by Toronto Children's Services budget application is posted in a conspicuous place
- Full Fee rate charged is consistent with the posted Fee Memo
- Fee charged to subsidized families is consistent with parent's assessed fee and families are not charged any additional fees/surcharges above the assessed fee

Outstanding Parent Fees

- Payment Plan and/or schedules are created if required and signed by parents/guardians
- Signed payment plan is kept on file
- Processes are in place to manage payment plans and overdue payments

Receipts are provided for all payments

- Annual tax receipts are issued to parents by February 28th, each calendar year
- If a payment is made in cash, a receipt is provided immediately

Parent Fee accounts are reconciled with the following records on a monthly basis:

- Centre's attendance records
- Submitted attendance records
- City's invoices/payments

Room attendance reconciles with attendance submissions to the City

- All fee and attendance discrepancies are identified and reported monthly
- Room attendance must be completed using pen and discrepancies should be crossed out and initialed
- Attendance records are kept on file for 7 years
- Attendance for full fee families is reported accurately to the City

2. Budget and Cash Flow Forecast

Intent:

To ensure the Agency has a policy and procedures in place for budgeting and forecasting that informs owners/ Board of Directors of a centre's current and future financial position and provides timelines for preparation and approval of budgets. Practices should be consistent with Toronto Children Services Service Agreement and timelines for the budget process.

Reflective Questions:

- What is your Agency's budget process?
- How does your Agency set the fees charged? At what point in the process does this happen?
- Do you review and monitor your budget/cash flow forecast monthly? Who is involved in this process?

Best Practice Tips:

- Management and Board of Directors/Owners participate in financial decisions and the review of financial reports
- Agencies are encouraged to accumulate a surplus up to three months of average operating expenses in order to meet unforeseen expenses

Standards of Practice

The Agency's policy and procedures include, but are not limited to:

- Timelines and processes for budget preparation, completion and forecasting
- The development of an annual Cash Flow Forecast statement
- The development of an annual cycle for budget preparation and guidelines
- Goal setting, initiatives, defining expected revenue and expenses and realigning plans if required

Timing of the budget preparation

- Budget is prepared approximately 3 months before the start of the fiscal year

Budget and Cash Flow forecast statements are prepared annually and variances are reviewed monthly

- Statements should be reviewed monthly to identify variances between revenue and expenditures
- A review of the prior years budgeted and actual results are an integral part of preparing current budget and cash flow reports to ensure that the Agency is budgeting appropriately

Budget and Cash Flow statement is used to:

- Forecast expenditure priorities

Standards of Practice
<ul style="list-style-type: none">• Set Agency's public fees to reflect expenses• Create a financial plan to support long term expenditures

3. Petty Cash

Intent:

To ensure that the Agency has a policy and procedures in place to account for small or unplanned cash purchases. Agencies are not required to have petty cash.

Reflective Questions:

- How petty cash is stored and is it secured?
- Who is the designate responsible for disbursing and reconciling the petty cash funds?
- Who is the alternate person responsible in the absence of the designate?
- What is the amount approved by the Board of Directors/ owners?
- How do you manage unplanned purchases?

Best Practice Tips:

- The Agency uses preauthorized debit/credit cards in place of petty cash
- A petty cash template is developed to support consistent reconciliation
- Board of Directors/Owners periodically review petty cash and unplanned purchases

Standards of Practice

The Agency's policy and procedures include, but are not limited to:

- Process for disbursing, securely storing and reconciling petty cash transactions
- Require original receipts and documentation that are related only to location or agency purchases
- Who is involved in verifying the purchase, reimbursing the funds and how often

Designated staff who manage petty cash

- To limit the amount of staff who access the petty cash, pre-assigned staff should be responsible for the disbursement, reconciling and replenishment of petty cash
- The amount of staff involved in the petty cash process should be limited to two

Petty cash is securely stored

- Petty cash must be securely stored to prevent the opportunity for theft
 - For example, in a locked box where only the designated staff have access to the key/safe
- Petty cash should only be used for small purchases and not for regular operational needs

Standards of Practice

- For example, petty cash can be used to purchase some ingredients for a cooking activity, but should not be used to purchase the weekly groceries

Monthly reconciliation of petty cash

- The petty cash balance is appropriate and approved by the Board of Directors/ owners
- The policy should identify the process and responsibilities for completing the reconciliation monthly
 - For example, the Supervisor may be responsible for disbursing the petty cash and a bookkeeper may be responsible for the reconciliation and replenishment on the last day of each month
 - The reconciliation process is an important internal control for fraud prevention and would include ensuring that the funds disbursed match the receipts/vouchers
 - A petty cash form should be used to summarize the receipts for the reconciliation and includes the list of receipts, opening and closing cash balance
- Once the reconciliation is completed, the petty cash should be replenished monthly to the approved balance

Petty cash reimbursements are supported by:

- A receipt that is signed by the person who purchased the item
- The receipt is listed on petty cash form to track of the amount of petty cash distributed and documented for reconciliation purposes
- In the absence of a printed receipt, a hand written receipt/voucher is accompanied by a memo of explanation with supervisor approval and documented on a petty cash expense sheet
- Amount is allocated to the corresponding expense line in the budget

4. Preauthorized Transactions

Intent:

To ensure the Agency has a policy and procedures in place that outlines the agencies practice for approving any preauthorized transactions. A preauthorized transaction is an agreement between a bank and an account holder that gives the bank permission to automatically debit the account by a certain amount at an agreed upon frequency. Preauthorized transactions include direct deposits, direct withdrawals and credit card purchases.

Reflective Questions:

- Does the centre currently have any preauthorized transactions set up through the centre's bank account?
- How does the centre determine which transactions will be set up a preauthorized? ?
- What processes are in place to continuously monitor and review the preauthorized transactions?

Best Practice Tips:

- Preauthorized transactions are reviewed by the Board of Directors/Owners quarterly

Standards of Practice
<p>The Agency's policy and procedures include, but are not limited to:</p> <ul style="list-style-type: none"> • Process for determining preauthorized transactions • Annual review of current preauthorized transactions and by whom <p>Approval Process</p> <ul style="list-style-type: none"> • Prior approvals are obtained from the Board of Directors/Owners for all preauthorized transactions in regards to direct deposits, direct withdrawals and credit card purchases • Signed documents authorizing approved direct deposits and/or direct withdrawals are kept on file <ul style="list-style-type: none"> ○ Authorization documents in place that ensure both parties have agreed to the terms and conditions of the transactions, frequency, and should include instructions on termination of the preauthorized payment <p>All preauthorized transactions are done through the Agency's bank account</p> <ul style="list-style-type: none"> • The Agency's bank account is the account that is used for the sole purpose of the operation of the centre, it will reflect all transactions including parent fees, City of Toronto payments, and expenditures. <ul style="list-style-type: none"> ○ This information is used to support the monthly financial statements and audit reviews • All transactions must be verified during the bank reconciliation process and monitored for accuracy

5. Receivables and Deposits

Intent:

To ensure the Agency has a policy and procedures in place for receivables and deposits. This process includes the application of those payments to the appropriate family/customer accounts and are deposited to the Agency's bank account.

Reflective Questions:

- How does the agency track and monitor receivables to ensure payments are received on time?
- Who makes bank account deposits and how often are deposits made?
- How are outstanding receivables monitored?

Best Practice Tips:

- Cash payments are discouraged
- Payments are deposited as collected

Standards of Practice

The Agency's policy and procedures include, but are not limited to:

Payment processing

- Payments that are received should be recorded against the appropriate family/customer account and processed within a short and specified timeframe
- Payments should be locked and secured
- Payments are deposited into the Agency's bank account at least weekly
- The deposit records and supporting documents must show the dates, names of the payees and the amount of each payment

Monitoring receivables

- Discrepancies and outstanding receivables are followed up weekly
 - Outstanding payments or discrepancies should be noted and corrective action taken as stated in Agency policies

6. Signing Authority

Intent:

To ensure the Agency has a policy and procedures are in place to prevent misappropriation of funds and financial risk. The cheque signing authority is one of the most important financial control functions of the organization as it controls the money withdrawn from the organization's bank accounts. The agency has practices in place to avoid misappropriation of funds including separation of duties which includes having different individuals preparing and signing cheques.

Reflective Questions:

- Who are the signing authorities? What are their position?
- How many signing authorities are there in the agency?
- Is a copy of the approved signing authorities provided to the bank or financial institution kept on file?
- Do you use any alternative methods to make payments, such as electronic transfers, and if so, what is your process for verification and approval?

Best Practice Tips:

- All cheques are signed by Board of Directors/Owners

Standards of Practice

The Agency's policy and procedures include, but are not limited to:

Approved signing authority and officers

- A list of the Agency approved signing authorities
- Authorization of signing authorities from the Agency is provided to bank or financial institution and kept on file

Signing and approval process

- Signing authorities are responsible to review supporting documents, and ensure invoice authenticity and accuracy before signing cheques
- All cheques are signed by approved signing authorities of the Agency
- Cheques are signed by two signing authorities for not for profit organizations
- Cheques are only signed with a payee and amount filled out
- Cheques are not made out to cash
- An amount is identified when a Board of Director/Owner is required to sign a cheque
- For not for profit organizations, where the payee is a signing authority, ensure that that an alternate signing officer signs the cheque

7. Bank Account Reconciliation

Intent:

To ensure the Agency has a policy and procedures in place to review bank accounts with their financial records and to identify discrepancies. This supports fraud prevention and minimizes errors.

Reflective Questions:

- What is the process for bank account reconciliations?
- How often is the bank reconciliation completed?
- Who is responsible for depositing funds? Is it someone different from who is completing the bank account reconciliation?
- Who is responsible for following up on NSF payments and ensuring collection of fees?
- Who will follow up on any errors in the bank account or agency records?
- Are the agency's bank transactions related to agency operations?

Best Practice Tips:

- Where a program has three or more individuals in the positions of administrator, supervisor and bookkeeper, individual duties and responsibilities are separated to receiving cash and cheques, making bank deposits, reconciling bank accounts and reviewing and approving bank reconciliations.

Standards of Practice
<p>The Agency's policy and procedures include, but are not limited to:</p> <ul style="list-style-type: none"> • Process for collecting and depositing payments • Process for reconciling bank accounts with the Agency's accounting records <p>Bank Statements reconcile with agency accounting records monthly.</p> <ul style="list-style-type: none"> • Monthly bank account reconciliations provide a timely review and adjusting entries for errors, account for deposits in transit, NSF payments and bank charges and cheques that have not been cashed yet <p>Separation of duties</p> <ul style="list-style-type: none"> • Where a program has less than three individuals, and the separation of duties and responsibilities is not possible, alternative monitoring systems are in place and are defined • A division of duties for tasks assists in fraud prevention and also to minimize errors. For example, when there is only a Supervisor, a designate from the Board of Directors/Owners must review monthly bank reconciliations for accuracy • Verifying that preauthorized transactions in the bank statement have the appropriate approval

8. Audited Financial Statements and other related information

Intent:

Agencies receiving funding from the City of Toronto are required to submit audited financial statements and applying the funding in accordance with their Service Agreement. Audited financial statements are the examination of an Agency's financial situation by an independent third party auditor. The independent auditor presents a report that attests to the fairness of the financial statements provided by the agency.

Reflective Questions:

- Does the Agency submit audited financial statements and other related information in a timely manner?
- Is the auditor accredited?
- Is there a clear division of duties between the bookkeeper and auditor?
- Do the statements align with the submitted and approved budget?
- Are the audited financial statements being used to inform the following year's budget and forecasting reports?

Best Practice Tips:

- Agency engages an auditor to complete their audit review and produces final, approved, audited financial statements within four months of their fiscal year end. An Annual General Meeting should be scheduled within that time frame to properly approve the audited financial statements.

Standard of Practice
<p>Audited financial statements include:</p> <ul style="list-style-type: none"> • A complete set of financial statements in compliance with the Canadian Auditing Standards • Signature of the auditor • Approval by the Board of Director's/ owners (two signatures for not for profit organizations) • If Pay Equity, Provincial Wage Enhancement/Home Child Care Enhancement Grant and/or Fee Stabilization Funding is received, a Special Purpose Report must be included • The format that is specified in which can be found on the Contract & Financial website is followed

9. Base Funding (General Operating Funding)

Intent:

To ensure base funding investments continue to support Toronto Children's Services Growth Strategy goals of Access, Affordability and Strong Workforce. General Operating Funding (GOF) is base funding that is a stable source that supports operators in committing to higher salaries for staff and reduction of fees to families. Agencies in receipt of GOF must set public fees in accordance with the cost of service that are offset by General Operating Funding.

Reflective Questions:

- Is the agency following the General Operating Funding Guidelines and any approved Implementation Plans?
- Is the centre operating at the service levels submitted in the current budget?

Best Practice Tips:

- The Budget Feedback report is reviewed, shared and reported at Annual General Meetings
- Wage scales are in place and reviewed annually

Standards of Practice

General Operating Funding Guidelines are followed:

- Operator notifies the City of changes to service levels
- Operating budget is reflective of actual service levels provided by age group
- Attendance submissions to the City are accurate
- General Operating Funding is not paid directly to staff or referred to in employee contracts or payroll records
- Employment contracts or Collective Agreement salary schedules do not refer to historic funding grants such as Wage Subsidy (DOG/WEG) or Wage Improvement Funding
- The agency informs Toronto Children's Services of any potential change to service levels in advance of implementing change and setting new fees

Parent fees reflect the cost of service

Agencies that have a 1999-2005 Pay Equity component of their Base funding, must ensure distribution to staff in accordance with Pay Equity Legislation

10. 1999-2005 Pay Equity Memorandum of Settlement

Intent:

To ensure records are maintained for Pay Equity grants and kept on file. A Special Purpose Report is included in the audited financial statements. This may not apply to all Agencies.

Reflective Questions:

- Is a Special Purpose Report included in the audited financial statements?
- Is the Agency ensuring that the distribution to staff is in accordance with the Pay Equity Legislation?

Best Practice Tips:

- Maintain Pay Equity documentation in current files

Standards of Practice
<p>Records are maintained for Pay Equity grants received, documenting payments to staff and outstanding balance</p> <ul style="list-style-type: none"> • All Pay Equity records are kept on file and kept up to date • Pay equity information and updates are shared with staff • A Special Purpose Report is included with all submitted audit reports <p>Pay Equity Grants are distributed to staff in accordance with the Pay Equity guidelines</p> <ul style="list-style-type: none"> • All staff are provided information on pay equity distribution

11. Governance

Intent:

To ensure all not-for-profit agencies and their Board of Directors, as the entity responsible for the Service Agreement and the Agency, have effective governance practices in place. The Board of Directors must act in good faith for the best interests of the corporation, ensure transparency and accountability, meet financial reporting requirements and follow relevant legislation, agency by-laws and letters of incorporation.

Commercial Operators must also ensure that they are following the Service Agreement requirements, are transparent, accountable, follow relevant legislation, meet financial reporting requirements and report any changes in ownership.

Reflective Questions:

- For not for profit agencies: How often are your bi-laws reviewed and what is the process?
- Do you have any related third party transactions? If so, are they declared in your audited financial statements?
- Have you had recent changes in your board or ownership?
- Does your agency operate according to the by-laws and the articles of incorporation?
- What is your succession plan for the agency?
- Does the board of directors include members with expertise in legal, accounting, early learning/child care/family support?

Best Practice Tips:

- Documented recruitment strategies to attract a diverse membership, including different expertise
- Board meetings are held monthly and agendas are provided in advance

Standards of Practice

The Agency's policy and procedures include, but are not limited to:

- Agency must operate according to their by-laws
- Board members' contact information should be different from that of the organization, be posted and accessible for parents/families
Parents/families should be able to directly contact board members and not have to go through the agency staff
- Toronto Children's Services must be notified immediately of significant changes in the board or ownership
- Two Signing Officers of the Board of Directors are required for cheque signing purposes in a non-profit organization
- Definition of Board of Directors are in adherence with the Not-for-profit Corporations Act
- Agencies must keep their "Form 1- Initial Return/Notice of Change" current and available to Toronto Children's Services upon request
- Any related party transactions must be at fair market value

Standards of Practice

- Related party transactions refers to any transactions with persons or corporations connected to the agency. For example, agency staff, owners, board members, family members and other connected corporations.
- Fair Market Value refers to the reasonable price of what goods and services would sell for. For example: catering service.
- Current and prior year approved AGM minutes must be provided to Toronto Children's Services.
 - All AGM Minutes must Indicate:
 - approval of prior year AGM minutes
 - approval of current year audited financial statements
 - election of Board of Directors
 - appointment of the auditor
- AGM is held within four months of the fiscal year end, to meet audited financial statement submission deadline to Toronto Children's Services. Audited financial statements must be circulated to all members at least 21 days prior to the meeting, as per the Not-for-profit Corporations Act.
- Definition and declare a conflict of interest
- Definition of a conflict of interest and the requirements of agencies staff, owners and board member to declare conflicts as they arise.

The Agencies by-laws include but are not limited to:

- Procedures in place for board members to review by-laws annually and upon election
- Identified number of required members, must be at least three as per the Not-for-profit Corporations Act
 - For Service Agreements that began with Toronto Children's Services on or after January 1, 2015, the minimum number of required board members is five
- Rules on general membership and board of directors must include:
 - roles and positions
 - criteria for qualification
 - voting power
 - length of term
 - election process
 - appointment and removal of officers
 - process for replacement of vacant positions
- Board meeting and AGM notice process, quorum, proxy voting requirements, meeting procedures and the structure of the decision making process
- Definition of Administrative and financial responsibilities
- Board members serving without remuneration but may be reimbursed for reasonable expenses incurred in the performance of their board duties
 - Identify the goods and services that are eligible for reimbursement and the approval process.

12. Fraud Detection and Prevention

Intent:

To ensure the Agency has a policy and procedures in place for fraud prevention including internal controls and protection of assets.

Reflective Questions:

- Is there a segregation of duties for most financial tasks?
- Is there a rotation of responsibilities, whenever possible?
- Has the Agency participated in Fraud Awareness training?
- Who has the Agency designated to investigate and take action to address complaints or report irregularities?
- Who will investigate complaints regarding management, owners or Board of Director members?
- How often are policies reviewed and amended?

Best Practice Tips:

- The Agency conducts fraud awareness training where internal controls, Code of Ethics, rotation of responsibilities, separation of duties and complaint processes are reviewed with staff.

Standards of Practice
<p>The Agency's policy and procedures include, but are not limited to:</p> <ul style="list-style-type: none"> • how the Agency will protect its assets • training and prevention strategies • training plan and define the rotation of financial responsibilities • a review of policies • completing investigations of complaints • irregularities and the division of duties <p>Code of Ethics</p> <ul style="list-style-type: none"> • A code of ethics should be a set of principles that defines how the Agency will ensure that practices are conducted honestly and with integrity. The Code of Ethics should be reviewed by staff and Board of Directors/Owners annually. <p>Fraud awareness training</p> <ul style="list-style-type: none"> • There should be an outline of the expectations for who is required to attend training and how and when it should be updated. Training is important to ensure that the staff are aware of their responsibilities and can promote awareness.

Standards of Practice

Rotation of financial responsibilities & segregation of duties

- It is important to have a rotation of duties to allow for staff development and to support the agency for succession planning. A division of duties for tasks assists in minimizing risk to an Agency due to potential errors or fraud.

Alternate individuals are trained and available to perform financial duties and responsibilities

- Ensuring that multiple people are trained to complete duties helps to minimize risk to an Agency in the situation that someone has an unplanned absence. For example, in the event that a Supervisor has to be away for an unplanned extended period of time, the designate can step in to perform some of their duties to ensure smooth operations of the business.

Monitoring, reviewing and reporting irregularities and complaints

- A documented process to address irregularities and the timelines that they are addressed helps to ensure that financial records are maintained accurately and have the most current information.
- The policy should outline how to address complaints including the roles and responsibilities of each party. There should be information included to address each complaint, who will be responsible and the timelines and requirements for responses. This helps to ensure fraud and liability prevention.

13. Payroll Information

Intent:

To ensure the agency has payroll procedures in place to manage the administration of employees' financial records. Payroll costs are a significant expenditure for programs, therefore it is important to confirm that salaries paid to staff are in alignment with approved budget and the Agency's wage scale.

Reflective Questions:

- Do your employee pay stubs identify the appropriate information, such as base hourly wage, hours, Provincial Wage Enhancement, deductions?
- Does the base hourly wage reflected in the paystub match the base wage in the approved budget?
- Do the most recent government remittance statements reflect that all payments have been submitted and the Agency is not in arrears?
- Does your Board of Directors/Owners review the payroll practices annually?
- How are discrepancies handled?
- Do you have any tools or software that allow the payroll to be more efficient and accurate?
- Who completes the payroll and is there a separation of duties for approval of payroll?
- Where do you store payroll records and for how long?

Best Practice Tips:

- The Agency uses a payroll processing company to issue payments to staff and to report government remittances

Standards of Practice
<p>Employees receive a pay stub or statement with every payroll period that includes:</p> <ul style="list-style-type: none"> • Gross earnings • Deductions • Net earnings • Period covered and date issued • Number of hours worked • Hourly rate <p>Record keeping</p> <ul style="list-style-type: none"> • Each employee must be given a specific identifier to avoid duplicate payments • Payroll related remittances are submitted to the appropriate government agencies and/or institutions as required and kept on file • Vacation, sick leave and other payroll information is recorded per pay period and kept on file

Standards of Practice

Statement of Account for government remittances

- Verifies through the most recent statement that Income Tax, CPP, EI are remitted to Canada Revenue Agency and payments are up to date
- Statement of Account verifies that Employer Health Tax are remitted to the Ontario Government

Pension Statement and other benefits (if applicable)

- Verifies employee contributions are remitted to the financial institutions
- Employee Insurance Statement verifies employee contributions are remitted to the insurance carriers for health benefits and Long Term Disability (LTD)

14. T4s

Intent:

To ensure the Agency prepares an annual T4 summary and keeps copies of individual T4's on file. Actual salaries reported on T4's reflect approved budgeted salaries.

Reflective Questions:

- Do you compare your T4s with your budgeted salaries?
- Are T4s issued to employees by February 28th?

Best Practice Tips:

- Provide T4s to employees in advance of Feb 28

Standards of Practice
<p>Agency Prepares and distributes T4s to employees & submitted to the Canada Revenue Agency by February 28th, following the calendar year to which the information applies</p> <p>Agency Reconciles T4 Summary and/or online confirmation with payroll records</p>

15. Employment

Intent:

To ensure the Agency provides an Employment Contract and/or Letter of Employment to each employee that outlines both the agency and employees interests.

Reflective Questions:

- Is an employment contract and/or an employment letter provided to each employee?
- Is a performance plan discussed and conducted?

Best Practice Tips:

- Human Resource policies and procedures are available, transparent to all employees and reviewed annually
- At least two reference checks for potential employees are conducted which includes current and/or past employers
- Screening and interview process are included in hiring practices
- Agency provides a copy of their Employee Handbook to all new employees
- Employment Contract and/or Letter of Employment to be reviewed by a lawyer

Standards of Practice
<p>Agency's Employment Contract and/or Letter of Employment to include:</p> <ul style="list-style-type: none"> • Hours of work • Gross Salary/Base Salary • Signature of employer and employee • Benefits and/or deductions which may include Group Life, extended health, dental, RRSP, Pension • Vacation entitlement • Leave • Start date of employment • Job title and description of duties • Confirmation that potential RECE employee is in good standing with the College of Early Childhood Educators <p>All employees are provided a wage scale for their position (if applicable)</p>

16. Vendor Invoices

Intent:

To ensure the Agency has procedures in place for processing vendor invoices that minimizes risk associated with payments and receipt of goods and services.

Reflective Questions:

- Who is responsible for processing and paying vendor invoices?
- How is it verified from the vendor's invoices that the goods and/or services were received?

Best Practice Tips:

- The individual that processes the vendor invoices is different from the signing authority who signs the cheques and/or approves payment
- Upon receipt of the vendor invoice, the individual who processed the order confirms that the goods/services were received and signs the invoice
- Software is used to process vendor invoices, track accounts payable and eliminate duplication of invoices

Standards of Practice
<p>Verifying that vendor invoices include:</p> <ul style="list-style-type: none"> • Vendor names, address, phone number, GST (HST) registration number • Invoice date & payment due date • Description of the goods and services • Unit price, number of units & total amount charged <p>Approval process</p> <ul style="list-style-type: none"> • Vendor invoices and packing slips are reviewed to verify that goods and services are received and they are signed for approval • Monitoring & following up on credit due for items that have not been shipped and/or received <p>Payment process</p> <ul style="list-style-type: none"> • Unpaid invoices are organized to ensure payment is made when due • Invoices are paid when due • Paid invoices are marked PAID when payments are processed and procedures are in place to ensure that duplication of payment on the same invoice is avoided • Paid vendor invoices related to approved Health & Safety/Minor Capital funding are submitted within the required timeline

17. Contracted Services

Intent:

To ensure the Agency has a policy and procedures in place to support in making decisions regarding cost and quality of contracted services. The written agreement for services rendered are in compliance with these procedures.

Reflective Questions:

- What contracted services does the Agency currently have in place and for what time frame?
- How does the agency assess if contracted services are meeting the needs and requirements?
- Where are the written agreements/contracts stored and are they easily accessible for review?

Best Practice Tips:

- Agencies should review multiple contractors and compare services offered and prices prior to making long term commitments

Standards of Practice

The Agency's policy and procedures include, but are not limited to:

- That Service Agreements are signed by both parties for all contracted services
- The terms of services provided including costs of services
- The requirement to disclose any related party transactions to both Toronto Children's Services and the Agencies auditor, as evident in the audited financial statements

Written agreement, signed by all parties involved, is in place for all third party contracted services including but not limited to the following:

- Auditing
- Bookkeeping
- Caretaking
- Food catering
- Major renovations
- Supply staff from outside agencies
- Lease/rental agreements
- Loan/borrowing agreement

Where the third party is related to a Board of Directors/Owner and/or staff, the type of services and the amount must be disclosed in the audited financial statements.

18. Purchasing

Intent:

To ensure the Agency has a policy and procedures in place for purchasing goods and services and that all purchases relate to Agency business.

Reflective Questions:

- Do you have a process in place for purchasing?
- How spending limits are set and at what limit is the Board of Director/Owner approval required?
- What is your record keeping process for receipts and invoices of past purchases?
- Are all of the Agency's purchases related to agency operations?
- How are vendors selected?

Best Practice Tips:

- The agency does not purchase any goods and services that may directly or indirectly provide a financial benefit to members of the Board of Directors/Owner and/or staff
- The Board of Directors/Owners are involved in the process of selecting vendors and are presented with three quotations for the selection process

Standards of Practice

The Agency's policy and procedures include, but are not limited to:

- Process for purchasing goods and services
- Internal procedures including spending limits and authorization of purchases
- How information is kept including credit card transactions

Purchasing procedures

- All purchases are related to child care operations
 - To prevent fraud or mismanagement of public funds, Agencies are accountable to families and fees charged should only cover costs related to child care operations. Centres with a Service Agreement with the City of Toronto are expected to ensure fiscal responsibility and ensure expenses are in alignment with budget guidelines.
- Spending limits and approval are defined by the Agency
- Defined significant purchases are planned in advance with pre-approval from the Board of Directors/Owners
 - This will allow Agencies to plan for upcoming significant purchases and to look at the financial implication of this purchase, and to determine when this purchase will take place.
- More than one quotation is obtained for defined purchases to compare quotes for equal services/products

Standards of Practice
<ul style="list-style-type: none">○ If purchasing goods and services from a related party, the purchase is the lowest price or less than market value as determined by at least three quotations from unrelated vendors. Any related party transactions must be disclosed in the financial statements.

19. Inventory and Asset Management

Intent:

To ensure the Agency has a policy and procedures in place that includes a physical inventory count to protect and safeguard assets and plan for future purchases.

Reflective Questions:

- What items are included in the inventory count?
- How is the physical inventory count completed?
- What large items may need to be replaced and what is the expected life of these items?
- What are the acceptable uses for inventory and assets to ensure that they are protected and have the longest possible use?
- What method will be used to record depreciation of capital assets?

Best Practice Tips:

- Inventory is counted quarterly and replacement purchases are planned for through the budget and reviewing monthly financials

Standards of Practice
<p>The Agency's policy and procedures include, but are not limited to:</p> <ul style="list-style-type: none"> • Inventory timelines and what items are included in the count • How to safeguard assets • Acceptable use • Define the recording of capital assets for amortization and depreciation <p>Inventory and assets records</p> <ul style="list-style-type: none"> • Defined limits of what to be included ensures that only items of significant value are counted. For example, only items that exceed specific amounts would be counted annually. Small consumable creative supplies would not be counted in inventory • Records of inventory and asset purchases are maintained • Records for amortization/depreciation are maintained. For example, a playground may need to be replaced or repaired at a certain time and could be costly for an agency that is not prepared <p>Physical inventory count</p> <ul style="list-style-type: none"> • Physical count of inventory and assets are conducted at least annually to assist in the budgeting, planning for future purchases, and identifying any loss

Standards of Practice
<p>Safeguarding inventory and assets</p> <ul style="list-style-type: none">• Ensuring the security of assets assist to prevent theft and damage• Clearly outlining acceptable uses of items can extend the life of an item and protect the agency from misuse, loss or damage

20. Safe Guarding Hardcopy and Electronic Records

Intent:

To ensure the Agency has a policy and procedures in place for record retention that includes the safeguarding of important documents. Procedures need to ensure that employees know what documents should be retained, the length of their retention, means of storage, and when and how they should be discarded.

Reflective Questions:

- Who has access to confidential information?
- How is this managed on site?
- Is confidential information stored and locked in a secure place? How do you discard records?
- Are their guidelines for online record management?
- If personal electronic devices are used, how is this managed onsite?
- If records are compromised, how is it managed?

Best Practice Tips:

- Practices ensure there is record retention and archiving for hard copy and electronic records which are stored in a secure location and only accessible by specific individuals

Standards of Practice
<p>The Agency's policy and procedures include, but are not limited to:</p> <ul style="list-style-type: none"> • Define the management of confidential information, length of record retention, process for destroying records, and who has access to confidential information • Action plan to manage a breach of confidential information <p>Access</p> <ul style="list-style-type: none"> • Confidential information is accessible by Director, Supervisor and/or designate, to ensure that it is secured in a safe place • Confidential files and records are stored and locked when not in use <p>Archiving and discarding of records</p> <ul style="list-style-type: none"> • Schedule for when records need to be destroyed to allow staff to be aware of retention practices, when items are discarded and how long items need to be retained for • Records are destroyed securely to prevent confidential information being disclosed to unwanted parties or breach of confidential information

Standards of Practice

Electronic devices

- Personal electronic devices are not used for Agency business, including children's photographs. Agency electronic devices are password protected to ensure that access is restricted only individuals who have approved access

21. Admission and Enrollment Procedures

Intent:

To ensure the Agency has a policy and procedures to identify a level of commitment that supports equitable admission for all families. Successful enrolment management supports the financial viability of the Agency.

Reflective Questions:

- How is the enrollment planning completed?
- Do you monitor the Impending Flip Report on Online Services and how frequently?
- What is the process for offering a space to a family and how is this documented?
- How is the waitlist managed to support your planned operating capacities?

Best Practice Tips:

- Orientation includes meeting the child prior to admission
- Facilities tour is conducted
- A transition plan is discussed and/or in place prior to starting children with additional support needs

Standards of Practice

The Agency's policy and procedures include, but are not limited to:

- Admission process
- How enrolment is managed throughout the year

An orientation meeting conducted with all families which includes:

- Program Information
 - Families are provided with an enrolment package, family handbook or referred to the centre website for information on centre policies and procedures.
- Review of Policies and Procedures and parent sign-off is completed prior to admission

Process for managing the waitlist

- Waitlist process in place that supports enrollment management

22. Withdrawal Procedures

Intent:

To ensure the Agency has a policy and procedures in place to inform families of the withdrawal procedure, required notice and impacts to the family. Withdrawal practices are equitable for all families.

Reflective Questions:

- What is your withdrawal policy and practice?
- What resources would you access prior to initiating withdrawal procedures and how are parents involved in this process?
- Has there been an instance where your Agency had to withdrawal services for children and families? If so, what were the circumstances?
- What could be one example where a withdrawal process would be required or initiated?

Best Practice Tips:

- Agency reviews withdrawal process after occurrence in order to reflect on experience and assess if improvements could be made

Standards of Practice

The Agency's policy and procedures include, but are not limited to:

- Practices regarding withdrawal procedure, including withdrawal due to contravention of the Agency's policies
- Agency ensures documented and ongoing communications take place prior to initiating withdrawal procedures with families
- Notice of withdrawal and referral process
- Resources from community partners that will support the process
- Practices are in compliance with the Ontario Laws and Statutes

Withdrawal procedure

- Every effort is made to avoid withdrawals but in the event a withdrawal cannot be avoided all steps as outlined in the policy will be conducted. The client will be informed and supported throughout the process
- The Board of Directors /owners are kept informed of the withdrawal process. No withdrawal will be conducted without the approval or knowledge of the Board of Directors/owners
- The Board of Directors/owners along with staff offer supports and referrals of alternate services available to the client as part of the referral and/or transfer process
- Withdrawal practices are equitable amongst all families

Standards of Practice

Client code of conduct

- A situation where behaviours are in contravention of the Policy. The supervisor in consultation with the Board of Directors/owners will review and discuss the circumstances and communicate a plan that will be put in place with all individuals involved

Notice of Withdrawal

- Clients are provided the notice of withdrawal requirements at time of registration. Clients are made aware of any updates to required amount of notice. Information regarding possible penalties is clearly stated if no notice withdrawal requirements are not followed

Toronto Children's Services District Consultant notified of possible withdrawal

- The operator is to contact the District Consultant when a withdrawal process is being considered. The Consultant may support the operator and provide resources to assist with decision making

23. Withdrawal Procedures

Intent:

To ensure the Agency has a policy and procedures in place for planned off site excursions that offers safe, inclusive and quality experiences for children. This may not be applicable to all centres.

Reflective Questions:

- What are some ways that the Agency ensures the outing will be safe for the children?
- Are outings inclusive in order to support participation of all children?
- How does the agency plan outings that are geared towards the development and interests of the children?
- Does the centre exceed staff child ratios during field trips? Are parent volunteers invited to attend?

Best Practice Tips:

- Field trips and community outings are used to extend the curriculum of a program and complement learning
- Trip activities and transportation are discussed with the children prior to the excursion so they are prepared
- Agency confirms location information prior to outing

Standards of Practice

The Agency's policy and procedures include, but are not limited to:

- Safeguards the Agency has in place to ensure safe and appropriate outings
- Protocol in the event of an emergency

Attendance

- The main attendance is taken on the field trip which identifies children that are present during the time of the outing
- The Supervisor or Designate should have a copy of the attendance record that accurately reflects the children in attendance during the outing. A copy of the children's attendance is kept at the program

Children information

- Photo and/or detailed description documented on day of field trip for each child. As a safety check, there needs to be a photo or description of each child in attendance on the day of the field trip
- Emergency information for each child and staff in attendance is carried with the designated staff member and kept secure during the field trip
- All children have program identification highly visible that includes name of program and phone number

Standards of Practice

- Identification with the centres name and number can take the form of a t-shirt, wrist band, or vest. Hats are discouraged as they are not as reliable and can easily be lost

Venue information

- The Venue is researched and evaluated for appropriateness prior to visit and/or Emergency Communication Plan is in place
 - At least one staff member should be familiar with the venue to determine if it is appropriate/inclusive for participation of all children in the program
- The Agency should have a late return plan which is outlined and understood by each staff member in addition to emergency plans related to individual children, as necessary, and action to be taken in the event of other emergency situations