



General Operating Funding Guidelines for Child Care Centres with a Service Agreement for Fee Subsidy

For: Centres with Infant, Toddler and/or Preschool programs that are eligible for
General Operating Funding

Toronto Children's Services
Updated October 2020

COVID-19 – No changes have been made to these Guidelines as a result of Mandated
and Extended Closure funding periods as a result of COVID-19 funding.

Notes:

- Legacy Operating Grant information, including Kindergarten and School Age, can be found in Appendices in these Guidelines
- Child care centres that receive funding from Toronto Children's Services but do not have a Service Agreement for Fee Subsidy, please refer to **Legacy General Operating Grant Guidelines for Operators without Service Agreement for Fee Subsidy**

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Introduction

The purpose of these Guidelines is to provide child care centres (here after referred to as the Agency) holding a Service Agreement for Fee Subsidy (here after referred to as the Service Agreement) for Infant, Toddler and/or Preschool, information regarding General Operating Funding¹.

What General Operating Funding is and how it is distributed

The Ministry of Education gives authority to Toronto Children's Services, as the designated Child Care Service System Manager, to administer General Operating Funding. This is funding that assists Agencies with the cost of delivering licensed child care. Children's Services is responsible to establish guidelines to support the management of this funding.

Agencies in receipt of General Operating Funding have a signed Service Agreement with the City of Toronto Children's Services. This contractual agreement requires the Agency to comply with these guidelines in order for the Agreement to remain in good standing. As the Service System Manager, Children's Services reserves the right to terminate the Service Agreement if it is determined that the Agency is not meeting the intent of the contractual requirements, including how it uses the General Operating Funding.

Important: The Service Agreement requires annual budget approval. If a change to the Service Agreement has not been reported and approved or there are inaccuracies in the budget submission or other required documentation, Children's Services will take action to ensure all contractual requirements are met, which may include imposing sanctions up to and including termination of the Service Agreement.

Background: Toronto Child Care Funding Model (2013-2017)

A new [Toronto Child Care Funding Model](#) was approved by City Council in June 2015. This funding approach replaced a patchwork of historic wage-related grant programs for child care centres with a single equitable approach to funding for eligible Infant, Toddler and Preschool programs. The approved model also directed the investment of new funding to full-time² Infant, Toddler and Preschool programs.

Initially the funding from this model was called the General Operating Grant; however, in 2016 the funding was intended to transition from a grant system to General Operating Funding that is stable, continuous and consistent. In the fall of 2017, the funding was renamed to General Operating Funding. This name change signaled the end of the historic grant era and the move to more stable funding that is equitable for all eligible Agencies.

The new funding model approach is intended to provide equal funding for all eligible Agencies. Over time, as more funding becomes available, system equity will continue to be a goal. At this time a small percentage of Agencies are funded at a higher level than the rest of the system, as a result of the remaining Legacy General Operating Grant (LGOG) for eligible Infant Toddler and/or Preschool, refer to Appendix A for more information on LGOG. As well, some Agencies receive historic funding for Kindergarten and/or School Age programs. Refer to Appendix B for more information on the LGOG for these programs. Finally, some programs still receive historic

¹ A child care Centre that receive funding from Toronto Children's Services but do not have a Service Agreement for Fee Subsidy, please refer to **General Operating Funding Guidelines for Operators without Service Agreement for Fee Subsidy in the City of Toronto**

² Refer to Appendix C for the Full-time Access to Care Policy

funding and do not meet the requirements for a Service Agreement. Refer to Appendix C for more information on Legacy Operating Grant Only (LGOGO).

Current State: Toronto's Child Care Growth Strategy (2017-2026)

In 2017, Toronto's Council approved an ambitious 10-year [Growth Strategy](#) (2017-2026) and the [Phase One Implementation Plan](#) (2017-2019). The Phase One Implementation Plan directed new investments to support increasing wages by 6% in the lowest range and reducing fees (by off-setting costs) by 10% in the highest range.

The streamlined funding model approach allows Children's Services to implement the Council Approved Growth Strategy and efficiently distribute new investments to child care Agencies as new money becomes available.

To ensure that any increased investments to child care Agencies is being used in a manner that helps achieve the goals of the Growth Strategy, Agencies that could receive an increase in General Operating Funding may be required to complete and submit for approval, an Implementation Plan before funding is increased.

The Implementation Plan process may change year over year, however, it will continue to be part of the Service Agreement contractual requirements. Agencies will be required to comply with all terms and conditions set out in their Implementation Plan.

Purpose and Use of General Operating Funding

The General Operating Funding is a funding revenue stream that supports Agencies with the cost of operating licensed child care programs.

The Phase One Implementation Plan directs the funding to two goals:

Table 1 - Goals and Targets of the Phase One Implementation Plan

Goal	Target
Reduce fees	Increase the General Operating Funding in order to reduce fees by 10% (with an initial focus on fees in the highest range)
Improve wages	Increase General Operating Funding in order to increase wages for Registered Early Childhood Educators (RECE) by 6% (with an initial focus on the Agencies where wages are low)

General Operating Funding is not a grant³; unlike the patchwork of wage grants that Agencies received historically. This funding is intended to offset operating costs, of which, a very high percentage is the cost of wages. General Operating Funding is not to be applied to a specific wage or employee; it is intended to offset operating costs and should be considered as part of the revenue of the Agency.

³ Centres that receive 1999-2005 Pay Equity under the memorandum of settlement must ensure that portion of funding is used in accordance with PE legislation and the service agreement/guidelines. See Appendix E & F and Schedule 1.3 of the Service Agreement

Application Process (Service Agreement for Fee Subsidy)

There is no separate application process for General Operating Funding. The application process to enter into a Service Agreement for Fee Subsidy or expand service, includes a review for potential General Operating funding. The process to apply for a Service Agreement for Fee Subsidy is a rigorous process that ensures the Agency service is consistent with the Child Care System goals as outlined in the Service Plan and operational policies.

Agencies applying for a Service Agreement for fee subsidy will automatically have the General Operating funding eligibility considered as a part of the application process; a separate request is not required.

Eligibility Criteria

General Operating funding applies to Agencies that have a Service Agreement for fee subsidy with the City of Toronto to provide service to clients in receipt of fee subsidy for Infant, and/or Toddler, and/or Preschool age groups.

Some of key criteria when reviewing a Service Agreement application or change include:

- **Efficient room size:** the staff to child ratio for a room are according to the Child Care and Early Years Act (CCEYA) staff to child ratio
 - **Rationale:** To ensure the system is equitably funded, using consistent standards and maximizing the use of public funds supports efficient business models.
- **Adequate age-group room sizes** where there is sufficient room to move children into the next age-group.
 - **Rationale:** A model that ensures a child can move into their next age-group supports the developmentally appropriate continuum of care and reduces the financial impact to families whom may otherwise incur higher fees over a longer period.
- **Sustainable planned enrollment:** means the planned enrollment can be consistently maintained throughout the year.
 - **Rationale:** To ensure optimal use of GOF and to mitigate financial pressure of vacancies for the Agency.
- **Full-time Access to Service Policy (Appendix D)**
 - **Rationale:** To ensure funding is directed to programs that provide the full-time care that families require.

Funding Calculation

Overview

General Operating Funding is calculated for each Agency as part of the annual budget submission.

The General Operating Funding Calculation is:

Efficient Room GOF Capacity X Age Points X Dollar Value Per Point X Standard Operating Days (261) = Non-Profit Funding

Table 2 - Example of Funding for an eligible Non-Profit Agency

(A) Age-Group	(B) Efficient Room GOF Eligible Capacity	(C) Age Point	(D) Dollar Value Per Point	(E) Standard Operating Days	(F) Annual Funding
Infant	10	41	\$0.77	261	\$82,397.70
Toddler	15	24	\$0.77	261	\$72,349.20
Preschool	24	15	\$0.77	261	\$72,349.20
Total					\$227,096.10

Note: Agencies which have historically received funding from the 1999-2005 Pay Equity will continue to receive this funding. This funding is embedded in the total General Operating Funding and will be maintained as the minimum funding allocation.

Components of the General Funding calculation:

A: Age Groups

Age groups are defined as per the CCEYA Schedule 1.

B: Efficient Room GOF Eligible Capacity

Efficient Room GOF Eligible Capacity according to the staff to child CCEYA ratio. This capacity cannot be greater than the operating capacities in the annual budget submission for each age group. The child to staff as prescribed in the CCEYA:

1. Infant 3:1
2. Toddler 5:1
3. Preschool 8:1

General Operating funding will only be calculated on efficient room sizes and could be less than the actual capacity (for example if a room operates with 8 toddlers, the funding will be calculated based on 5 toddlers). **Rationale:** This is to ensure that the system is equitably funded and is maximizing the use of public funds by ensuring funds support efficient business models.

Room Capacity Considerations:

- If, in the same room both preschool (1330) and Kindergarten (2340) services are offered (because no other viable before and after school kindergarten option exists) the full efficient room capacity is eligible for General Operating funding.
- Infant, Toddler or Preschool spaces that are part-time, even as a component of a group size, (i.e. service offerings of 1311, 1321 or 1331) are not eligible for General Operating funding
- Programs which have eight or more kindergarten aged children in a preschool room, where there is a before and after kindergarten service in the school (3340), are ineligible for General Operating Funding for that preschool room.
- Flexible License: Agencies with a flexible license (infant, toddler or preschool) which:
 1. plan to make a mid-year change to the age group or capacity in a room during the funding year, will be funded at the lower amount.
 2. did not plan, but make a mid-year change, to the age group or capacity in a room during the funding year, must inform Children's Services immediately and funding will be adjusted.

C: Age Points

Establishing the point value was a key component of the new funding model. The points are weighted to reflect the higher staffing requirements for the younger age group.

The current age point value was developed by building off the historic Direct Operating Grant (DOG) Calculation (dividing 120 children by the child to staff ratio). This historic point value did not account for the need to maintain child to staff ratio at all times in the infant room. The current point value, established in 2015, did account for the additional staffing requirements in infant rooms by adding 14%⁴ to the point value ($36 \times 14\% = 41$).

Table 3 - Historic vs. Current point value for each age group

Child to Staff Ratio	Historic Direct Operating Grant Calculation	General Operating Funding Age Points
10:3	$(120 \text{ children}/10) \times 3 = 36$	Infant: 41
5:1	$(120 \text{ children}/5) \times 1 = 24$	Toddler: 24
8:1	$(120 \text{ children}/8) \times 1 = 15$	Preschool: 15

D: Dollar Value per Point

The dollar value for each point is the funding level that the age point and efficient capacities are used to determine the General Operating funding calculation. This model allows Children's Services to be responsive and proactive when increased funding is available.

- In 2016 the dollar per point value was \$0.35
- In 2017 the dollar per point value was \$0.35 and was increased in June to \$0.37
- In 2018 the dollar per point value is \$0.57 for those Agencies which have an approved Implementation Plan.
- In 2019 the dollar per point value is \$0.77 for those Agencies which have an approved Implementation Plan.

The point value will continue to increase as new investments become available. The current point value is contingent upon Children's Services continuing to receive the same level of Provincial investment and targets.

E: Standard Operating Days (261)

The calculation uses a standard 261 days to provide a stable predictable value that will not fluctuate in any given calendar year.

When an exception is granted, as outlined in Appendix D, the General Operating funding will be calculated on the Agency's actual operating days.

F: Annual Amount & Payment

The amount of General Operating funding is calculated annually for each Agency as part of the Agency Budget process. The funding is paid in four quarterly payments. Generally, funding is advanced in the first quarter of the year (Q1) based on the previous year's total funding amount. The remaining quarterly payments (Q2, Q3, Q4) for the year are reconciled-to-date after the annual budget approval process is completed, allowing for adjustments in funding and/or operations as applicable.

⁴ 14% was determined to additional staff time required to ensure coverage to maintain a ratio of three staff to 10 children.

Accountability, Monitoring & Reporting

What to Use General Operating Funding for

Children's Services provides direction on the use of the General Operating Funding. It acts as a stable revenue source that offsets the cost of the service provided by offsetting the cost of operating; fees can be stabilized and/or lowered and/or wages can be increased. Agencies are required to use the funding to achieve the goals of the council approved Growth Strategy.

Agencies which are eligible for an increased funding level may be required to develop an Implementation Plan, for approval by Children's Services that documents the intended use of funds.

The Province has outlined the following inadmissible expenses:

Human Resources

- legislated minimum salary/benefit requirements
- wage and salary bonuses (including retiring bonuses), severances, gifts or honoraria unless a retroactive wage increase that continues into following year
- fees paid on behalf of staff for membership in professional organizations such as the College of Early Childhood Educators (e.g. CECE)
- Direct payment to any person who does not receive a T4 or T4A

Operations

- debt costs including principle and interest of capital or operating loans, mortgage financing and CRA debt
- property taxes
- all expenditures arising from transactions not conducted at arms-length, unless transacted at fair market value⁵

Accountability & Responsibilities of Agencies

Agencies are required to ensure the General Operating Funds are used as intended and defined in these guidelines and the corresponding Service Agreement schedule.

Accountability for the use of the General Operating Funding is in accordance with the Children's Services policies and guidelines.

Agencies that receive this funding must:

- maintain records of all the funding received and expensed⁶;
- disclose salary and benefit expenses separately in the financial statement of operation;

⁵ Transactions in which both parties may not be acting independently due to previous relationships

⁶ General Operating Funding is not a grant and as such Centres must update their employment contracts to replace grants with a new base wage. Some Centres may have had collective agreements and employment contracts that included references to a wage grant. These Centres must update their salary schedules agreements, accordingly.

- ensure the funds are directed in a way that is consistent with the intent of the General Operating funding, the Growth Strategy and, if applicable, an approved Implementation Plan;
- ensure that the service that was planned and funded are actually provided; and
- report to Children's Services any planned operations that differ from agreed upon and funded service levels, closure of rooms, operating capacity, days of operation.

It is the responsibility of the Agency to report any changes to its operations that may affect the General Operating funding amount. Failure to report changes will result in action that may include recovery of funding and/or imposing sanctions up to and including termination of the Service Agreement.

In addition, a portion of General Operating Funding may be subject to audit recovery as outlined in the Audit Guidelines for Agencies.

Change in Agency Operations

Important: The Service Agreement and any funding from the City of Toronto Children's Services, including the General Operating funding, is not transferable.

An Agency's Service Agreement including the General Operating funding cannot be transferred to another Agency. In order for the Agency to be considered for a Service Agreement, the new Agency must apply for a Service Agreement, as at the time of change, transfer or sale of ownership.

It is an Agency's responsibility to inform Children's Services in writing, of the intention to change operations including, a change in service offering, license, a closure or a change in ownership⁷.

When notice is received:

- Payments will be adjusted to a monthly schedule (from a quarterly schedule) in order to reduce the risk of overpayment.
- Agencies will be paid monthly up to the last full month of operation (for example: a program that closes/merges/changes ownership on October 15 of a year will receive funding for the full month of September of the same year)
- The amount of funding may be adjusted when there are significant decreases to service levels prior to closure/change of ownership.
- Closure or change of ownership of a program without notice will result in recovery of any excess funding.

Note: Existing Agencies which have historically received funding from the 1999-2005 Pay Equity will continue to receive this funding. This funding is now embedded in the total General Operating Funding and this amount is maintained as the minimum funding allocation.

Monitoring and Reporting

As part of the annual on-line budget submission process the Agency acknowledges an annual "statement of commitment" that reiterates the budgeted submission is accurate in all respects and has been approved by the Board of Directors or Authorized Agent. It also reasserts that the Agency will use any funding received in accordance with applicable guidelines.

The monitoring of General Operating funding by Children's Services is comprised of:

- Program visits

⁷ Centre is considered to have a change of ownership when there is a merger or amalgamation resulting in a change in ownership or share in the business

- Annual budget process
- T4 visit and annual audit
- Annual review of actual service levels over a 12-month period to determine that GOF investment matches service that is consistently sustainable on an annual basis

As per the Service Agreement, the Agency may be subject to a detailed review of financial records by Children's Services.

Monitoring Sustainable Service Levels

Where it is determined that GOF capacities are greater than the actual eligible service levels according to these guidelines, Children's Services will reduce the GOF capacity for the coming budget cycle to reflect the eligible amount.

Where a service level is being reduced, the operator will be notified in writing prior to the following year's budget. Eligible operators whose full-time service levels increase, in a sustainable way, over the next budget year, may be eligible for General Operating funding increases to support the service level increase.

Audit/Special Purpose Report

Programs in receipt of \$20,000 or more in total funding from Children's Services, in a calendar year, must provide Children's Services with an audited financial statement within four months of the agency's fiscal year end or closure of the program.

The audit must:

- clearly report the General Operating funding revenue separately from other revenue
- separate the salary expenses from the benefit expenses in the statement of operations
- audit categories must be the same as the budget in the statement of operations, otherwise a separate reconciliation between the audit and budget is required
- Agency's that have a 1999-2005 Pay Equity component of their General Operating funding, must include a Special Purpose Report verifying that funding has been used for the purpose(s) intended as part of the auditor's report to reconcile the funding allocation against actual expenditures. See Appendix F for an example of the note to the audited financial statements relating to the funding.

When a program that does not require an audit closes, the Agency must reconcile the 1999-2005 Pay Equity funding using the Pay Equity Utilization Statement prior to closure.

1999-2005 Pay Equity Reconciliation

Agencies that receive 1999 – 2005 Pay Equity as a component of the General Operating funding that is less than \$20,000 do not required an audit; however, a Pay Equity Reconciliation, forwarded by Children's Services, must be completed on an annual basis.

Risk and Compliance

Agencies that have a Service Agreement have the responsibility to meet the standard business requirements, policies, Child Care Operating Standards and Guidelines of Children's Services in order to be in compliance.

If an Agency is not in compliance with its contractual obligations or at risk of non-compliance, actions will be taken to ensure all contractual requirements are met. Children's Services strives

to provide support to Agencies in order to mitigate risk. When a risk of non-compliance is identified, City of Toronto staff will take action to mitigate that risk. This process could include sanctions, up to and including termination of the Service Agreement.

Some of the steps Children's Service may take to mitigate compliance risk and remediate non-compliance are:

- Meet with the Child Care Agency's Board and the Agency's staff
- Written notice to the Agency
- Recovery of funding
- Hold to funding increases
- Hold of all funding payments
- Change frequency of payments from Quarterly to Monthly
- Terminate the Service Agreement

Termination of Funding and Service Agreement

Agencies where a Service Agreement is terminated will also have their General Operating Funding terminated.

Appendix A - Legacy General Operating Grant (LGOG) For Infant, Toddler and/or Preschool (with a Service Agreement for Fee Subsidy)

Background: When the new General Operating funding model, at the time called General Operating Grant, was introduced in 2015 it replaced a historic patchwork of grants. The historic patchwork of grants created inequities in the child care system. Some Agencies received all the grants; some Agencies received no grants. These historic grants were introduced at different times with different requirements resulting in system inequities with some Agencies benefiting while other Agencies received no funding.

A principle of the new funding model was that no Agency would lose their historic funding level, unless they changed service levels. This commitment created a challenge in moving towards a child care system that is equally funded for Infant, Toddler and Preschool programs.

In 2016, when the new funding model was rolled out there was enough funding to fund all eligible Agencies at \$0.35 per point value. That meant that all Agencies received at least the General Operating funding at \$0.35 per point value. Those Agencies that would have historically received more had the remaining amount converted into the Legacy Operating Grant (LGOG).

The LGOG amount that was established at that time was based on the eligible capacities. If an Agency changed those established LGOG capacities, the LGOG funding would be reduced.

The goal of the funding model is to equalize the General Operating funding over-time when increased investments are made available to Children's Services.

In 2016, when the funding was rolled out, approximately 45% of the system received the General Operating funding only, and 55% of the system, received the General Operating funding plus an LGOG component.

In 2018, significant new investments in the child care system allowed the General Operating funding point value to increase to \$0.57. This increase allowed Children's Services to further equalize the system.

Once again, all Agencies were funded at the same level of \$0.57 per point value. The amount of increased funding an Agency received depended on the amount of LGOG an Agency had. Any Agency that was receiving less than \$0.57 was brought up to the new General Operating funding level. Any Agency that was already receiving more than the equivalent of \$0.57 (adding General Operating funding and LGOG together) remained at the current, higher funding level, adhering to the commitment that no Agency lose their historic funding level.

The 2019 General Operating funding point value of \$0.77 allowed the equalization of **99% of centres eligible for General Operating Funding**⁸. All eligible Agencies that received an increase in General Operating funding will be funded at \$0.77 with the approval of their 2019 Implementation Plan.

Holds: Agencies that are on hold and have eligible infant, toddler or preschool programs will be equalized when General Operating funding is increased or re-established.

Note: There are some Agencies with LGOG that retained a historic Service Agreement but are not eligible to receive General Operating Funding because it does not meet the current requirements. In the future equalization approaches will be considered as change to investments occur. Appendix B applies to these programs.

Important: Any Agency that receives more General Operating Funding per point will be held at their current funding until the dollar per point value of their funding is equalized to the system point value at that time.

⁸ "The system" is referencing the General Operating Funding for eligible Infant, Toddler and/or Preschool programs.

Appendix B - Legacy General Operating Grant (LGOG) For Kindergarten and School-Age (with a Service Agreement for Fee Subsidy)

The General Operating Grant, now called General Operating Funding, introduced in 2015 was targeted to Infant, Toddler and Preschool Programs. However, the historic patchwork of grants also applied to some centres serving Kindergarten and School-Age only (see note 1 below) The historic grants that related to the Kindergarten and School-Age programs were converted to a Legacy General Operating Grant (LGOG) based on the age-group capacities at that time. Children's Service committed that Agencies would not lose this funding unless their service offerings in this age group decreased.

The equalization approach taken for Infant, Toddler and Preschool programs was not possible for centres who do not receive General Operating Funding, since there is no new funding for the Kindergarten and School-Age groups. In the future equalization approaches will be considered as change to investments occur.

Annual Kindergarten and School-Age Legacy General Operating Grant Review

LGOG for Kindergarten and School-Age funding will be reviewed and confirmed annually as part of the budget process; LGOG can remain the same or decrease, it will not increase. LGOG will decrease under the following conditions:

- Operating capacities for any age category are reduced below the established legacy operating capacity
- Room sizes have not been operating as reported⁹
- Agency is closed/sold/transferred or there is a merger or amalgamation resulting in a change in ownership or share in the business¹⁰
- Agency is not in compliance with the Full Time Access to Service policy¹⁰
- Agency is not in compliance with Children's Services' standard business requirements, policies or guidelines

During the annual budget process, if an operating capacity in any age category is lower than the established legacy operating capacity per age group, the legacy funding will be reduced by the per child amount.

Each year the legacy capacity will be reviewed for each age category; a reduction will establish the new lower capacity. Legacy Capacity will never increase. For example:

Table 4 - Legacy Capacities from 2015-2020

Legacy Capacity	Operating capacity in budget	Legacy capacity floor	Reduction in LGOG component funding
Established 2015	45	45	
2016	30	30	Yes
2017	45	30	No
2018	30	30	No
2019	15	15	Yes
2020	30	15	No

Note 1: Should new General Operating funding for Kindergarten and School Age programs become available, the development and implementation of a funding approach would equalize the current historic funding levels.

Note 2: This appendix also applies to some Agencies serving Infant, Toddler or Preschool groups with LGOG that retained a historic Service Agreement but are not eligible to receive General Operating Funding because they do not meet the current requirements.

⁹ In these circumstances, operators who do not comply with the policies or timelines established in these guidelines, may be subject to recovery of funding

Appendix C - Legacy General Operating Grant Only (LGOGO) (Service Agreement without Fee Subsidy)

When the new funding model was introduced, some Agencies with infant, toddler, or preschool programs were not eligible for the new General Operating Funding but had historic funding.

Again, because Children's Services made a commitment that no Agency would lose their historic funding level, these funds were converted to Legacy Operating Grant Only (LGOGO) – meaning the program is not eligible for Fee Subsidy or General Operating funding.

These Agencies will maintain their current funding levels unless service levels decrease. These Agencies are not eligible for increases. These Agencies may be considered for General Operating funding if they enter into a Service Agreement for Fee Subsidy.

Any LGOGO Agency that is determined to be eligible for General Operating funding will be equalized. The equalization of such Agencies will consider a calculation of General Operating Funding at the point value in place at the time and the LGOGO capacities.

Appendix D - Full-time Access to Service Policy

Overview

Agencies have discretion to set the hours of service to operate: however full-time access to child care was a key issue raised during the funding model consultation with families and other stakeholders. As a result, the approved funding model directs funding to full-time services. Agencies with a Service Agreement for Fee Subsidy must provide "full-time access" to be eligible for General Operating Funding.

What is "Full-Time Access"?

Full time access refers to the number of hours throughout the day and number of days throughout the year that a program is available to families. The required number of hours and days is different depending on the age of the child, as explained in Table 5 below.

Table 5 - Definition of Full-time Access by Age Group

Age Group	Definition of Full-Time
Infant, Toddler and Preschool	Provides a minimum of 7 hours continuous service per day for a minimum of 11 months/239 operating days per calendar year.
Kindergarten and School Age	Provides a minimum of 11 months/239 operating days which includes before and after school care during instructional school days and 7 hours continuous service per day during non-instructional school days.

Exemptions to Full-time Access Policy:

An Agency with an existing Service Agreement for Fee Subsidy may apply for an exemption if:

- **Days:** If an Agency serves Infant, Toddler and/or Preschool children for a full day (at least 7 continuous hours), but less than 239 days a year;
- **Merged programs:** One or more programs merge to one location for periods of the year (e.g. Christmas and summer break period) and continue to provide services for all families requiring care. Families must be aware of this practice upon admission to the program;
- **Religious observance:** Additional days of closure are clearly documented and are for religious observance;
- **No need for care:** All families have been surveyed three months prior to the planned closure and it has been confirmed there is no demand for care; Note: Children's Services may require a review of the process/documentation that the Agency uses annually to confirm the demand for care.
- **Financial/operational hardship:** Providing full time service will cause financial/operational hardship on the Agency due to extremely low demand for service; or
- **Extenuating circumstances:** construction, on site disaster requiring a temporary closure for a period of time.

Process to apply for an exemption

Agencies that wish to apply for an exemption may submit a letter of request to their Children's Services' Consultant. An Agency that is changing from full time to part time, will need to apply for an exemption three (3) months prior to the change in service in order to have their exemption request considered.

The letter of request must explain the reasons for requesting an exemption and must demonstrate how one or more of the above exemption criteria are met.

Children's Services will review the circumstances for each exemption request and provide a written response to the Agency confirming if the request is approved or denied.

Exemption Decisions

If an exemption is approved:

- The Agency would retain its current Service Agreement for fee Subsidy and any Legacy General Operating Grant (LGOG) component of funding. The General Operating component of funding would be re-calculated to reflect the Agencies actual operating days.
- Agencies that have a Legacy General Operating Grant (LGOG) component should consult the guidelines to see how an exemption could impact the amount of funding received.

If exemption application is not approved:

- The Service Agreement for Fee Subsidy and, if applicable, General Operating Funding Service Agreements may be terminated.

Appendix E – Multi-site Agency General Operating Funding

Upon approval, Multi-Site Agencies may use their General Operating funding amounts across their multiple sites where all of the following conditions apply:

- Agencies which are approved by Children's Services to calculate their Per Diems at the Multi-site Agency level;
- Agencies that have the same fees for the same services across sites;
- Agencies whose fees have been determined by Children's Services to reasonably reflect the cost of the services; and
- Agencies that have more than 20 locations that receive General Operating funding.

In these cases, the Agency's funding will still be calculated at the site level. However, these Agencies have flexibility to use the General Operating funding across all eligible sites in order to meet the intent of the funding.

Agencies that receive 1999-2005 Pay Equity component will have the historic allocation by site transferred to another site in the event that the General Operating Funding for a location is less than the Pay Equity allocated to that site. The Pay Equity component will not increase the payment to other locations and will become embedded in the funding for the remaining locations.

Closure of a location within a multi-site Agency must be reported to the Children's Services Consultant. The Agency's General Operating funding will be recalculated to reflect the change in operations.

Appendix F – Special Purpose Report for 1999-2005 Pay Equity

A special purpose report is required as a note to the audited financial statement when an agency receives 1999-2005 Pay Equity in the City of Toronto in the agency's fiscal year.

Table 6- Sample format of a special purpose report

Categories	1999-2005 Pay Equity
Deferred from prior years	
Received in this Fiscal Year	
1999-2005 Pay Equity expensed in this fiscal year/according to the guidelines	
1999-2005 Pay Equity returned to Children's' Services this fiscal year	
1999-2005 Pay Equity deferred to future years (1) + (2) - (3) - (4)	