



2022 BUDGET GUIDELINES FOR SUMMER DAY PROGRAMS

This version replaces the guidelines previously dated April 2019

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 provide agencies with a Service Agreement with the City of Toronto, guidance on the Toronto Children's Services ("TCS") budget submission process for Summer Day Programs, and to assist agencies in completing the budget accurately. The budget will be used to determine the funding level for 2022, 2023, and 2024. Agencies with a Service Agreement with TCS are required to comply with these guidelines.

This document outlines budget submission deadlines, a description of the allowable operating expenses funded by the City (and maximum funding thresholds if applicable), and describes the budget analysis conducted by TCS.

This document is updated regularly to reflect current legislation, guidelines, or policies issued by the Ministry of Education and TCS. Changes will provide clarity regarding service provider reporting requirements and/or TCS funding responsibilities.

Budgets and Their Use to Service Providers and the Division

Budgets are financial plans used by agencies. A budget takes the agency's operational goals and objectives and translates it into something measurable to assist the agency in establishing priorities, identifying efficiencies, measuring actual performance, anticipating future conditions, and avoiding otherwise unforeseen issues.

TCS uses the budgets as a mechanism to ensure accountability, for the use of public funds, which TCS extends to service providers.

TCS funding paid to service providers with a Service Agreement is based on budgeted cost and operational information. As a result, funded agencies should ensure that the submitted budget information is accurate and reflects actual operating expenses.

What is Budget Analysis?

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 the overall financial health of the agency. The analysis is conducted based on knowledge of the childcare sector, the operations of specific Summer Day programs, and the application of the City's relevant guidelines and policies. The amounts budgeted for the current year are 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

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. TCS analyzes the budget submitted by the agency, ensuring reasonableness and compliance with all applicable guidelines and policies.

TCS enters into Service Agreements with agencies that 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 TCS requirements for “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 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 the 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 affect 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 TCS 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 2022 budget will be used to determine the funding level for 2022, 2023, and 2024. 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 a budget for summer day program funding if there are significant changes to service levels or actual revenue/expenses during the three-year budget cycle. If an Agency is required to submit a budget for summer day program funding you will be notified in writing. In order to remain eligible for funding for 2022, service providers will be required to notify Children's Services in writing of their intention to operate a summer day program by May 9th of each year (i.e. May 9, 2022, for 2022 funding). Service providers will also be required to submit updated information regarding current board members, fees charged to parents, days of service, number of children served, etc. by May 9th of each year. Please refer to the cover page of the 2022 Budget Package for more information.

- Organizations must provide required supporting documentation including evidence that indicates the reasonableness of allocated expenses, such as budgeted rent expenses based on the square footage occupied.

- The operator/administrator must inform the TCS Consultant immediately when a decision has been made to change the fee charged to the public.
- The agency must notify the TCS 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

Audited Financial Statements

In accordance with City policies, 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 a program is part of an Agency with more than one location, the funding thresholds are set at the Agency level; however, disclosure is required by location.

In order for the City to effectively maintain financial reporting obligations, TCS will be implementing sanctions and penalties for non-compliance with business deadlines.

Agencies who are unable to meet the audit submission deadline must submit an extension request in writing to their TCS Consultant. The extension request should include the reason for the extension as well as the anticipated submission deadline. Failure to submit the required statements in the specified format may result in sanctions being applied.

Financial Statement submissions, whether audit or review engagements contain an Independent Auditors Report (Opinion Statement) signed by a Licensed Public Accountant who is independent of the Agency. It is the responsibility of the Agency to confirm the auditor has a valid license to perform Audits and/or Review Engagements in Ontario. For more information about Auditors, Audits, and Review Engagements, contact the Certified Professional Accountants Association of Ontario.

Organizations will be required to revise and resubmit audited financial statements that:

- Do not comply with Canadian Auditing Standards;
- Are not prepared based on the appropriate accounting standards;
- Are not completed by a Licensed Public Accountant;
- Are not in compliance with the TCS Audit Guidelines and financial reporting requirements;
- Do not present the revenue and expenses using the same line-by-line format as in the approved Budget.

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 the previous year's AGM minutes, approval or availability of the previous year's audited financial statements, the 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 TCS 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

- Several supporting documents must be submitted with the annual budget 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 19th for each year summer day funding has been received (i.e. September 19, 2022).

Overpayment

- The Agency must inform their TCS Consultant immediately of any overpayments made by the City and these funds should be returned to the City within the stated period.

2022 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 9, 2022, and approved funding will apply to 2022, 2023, and 2024.

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 2022 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 of Signing Officers for 2022 by May 9, 2022

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 the year 2022, and the dates the summer day program is closed and is not available to families in 2022. 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 2022 by May 9, 2022.

Staffing and Administration Information – Page 3 (Staff)

Salaries, wages, and benefit costs compose a large majority of expenses in a service organization. Therefore, the TCS Consultant will focus their attention on 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. 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 2022 the maximum hourly rate (based on 35 hours a week) for Assistant (Non-RECE) is \$30.53, RECE Teaching Staff Grade 2 or equivalent trained is \$35.20, RECE Teaching Staff Grade 1 / Assistant Supervisor or equivalent trained is \$39.17, Supervisor is \$59.18 and Administration is \$68.30

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.

Employer contributions and benefits are allowable budget expenses up to a maximum of 25% of the total projected salary costs, including staffing and allocated admin. Any wage grants paid towards benefits are included in the 25% allowable benefit costs.

Administration

Administration costs are allowed for a variety of administrative responsibilities. This includes 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 the **City of Toronto, Recreation Grant** is included in the 2022 budget. Agencies receiving the Recreation Grant (Major or Minor Recreation) from the City of Toronto, Social Development, Finance, and Administration Division must input the grant amount on this line. TCS 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 2022 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 2022, *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 2022. When completing the 2022 budget, agencies should endeavor 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 on 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 TCS 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, 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 TCS 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 is 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 2022 Budget Package

The 2022 Budget Package should be completed using Microsoft Excel. The 2022 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 *will need to be* approved by the Board of Directors and signed by a Signing Officer of the Board. There are two options for sending us this information either of which will be required by **May 9th, 2022**:

1. By email: Please scan, attach and email a copy of the signed and dated schedule of fees charged to parents for 2022 & a signed 2022 Summer Day Budget Form to tcsfunding@toronto.ca
2. By mail (see mailing instructions): Please send the **original** copy of the signed and dated schedule of fees charged to parents for 2022 & a signed 2022 Summer Day Budget Form 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 2022 budget packages, please contact your TCS Budget Consultant.

No Drop Off:

Due to Covid-19 safety restrictions, there is no general public access to any Toronto Children's Services office building. All documents **MUST** be mailed or couriered to Metro Hall. Couriers must follow protocol described below.

Mailing Instructions:

All documents must be mailed to Metro Hall – 10th floor attention Faye Jose. Do not direct any mail to District Offices. Children's Services is not responsible for misaddressed or misdelivered mail.

Courier Instructions:

Please ensure that the courier is aware of the delivery protocol at Metro Hall:

- Couriers using their car/truck must use the Wellington Street entrance to drive through the loading dock area, where the documents can be received by the mail room staff until 4:00PM only, Monday to Friday.
- Couriers using their bikes for delivery must use the main floor East side door at David Pecaut Square and go through to the Security to be received by a mail room staff until 3pm only, Monday to Friday.