



2024 Budget Guidelines for Child Care Centres

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For help accessing this document,
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The online budget and all supporting documents are due **November 30, 2023**

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Update

Purpose and Overview—NEW

The purpose of these guidelines is to provide child care centres, with a **Service Agreement for Fee Subsidy and/or Canada-Wide Early Learning and Child Care (CWELCC) funding**, guidance on Toronto Children's Services' (TCS) annual budget submission process. Child care centres with a Service Agreement with the City of Toronto are required to comply with applicable sections of these guidelines as per the Service Agreement between the Agency and the City of Toronto.

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

This document is updated annually to reflect current legislation, guidelines, funding, or policies issued by the Ministry of Education or TCS. Agencies must submit a budget for each licensed child care location that receives funding from the City of Toronto. These guidelines provide users who prepare and submit the budget with an overview of the information that is required in the budget submission. For detailed instructions on using the online Budget App, and completing the budget submission, refer to the [Online Budget App Guide](#), available on the 'Early Learning & Child Care Partners - Online Services' web page.

NEW The Province has indicated that the existing revenue replacement approach to CWELCC funding will remain in place for at least the first eight months of 2024, pending the announcement of the new funding approach. Funding is subject to change upon the issuance of the new Provincial funding approach. At this time, Provincial Wage Enhancement (PWE) for 2024 has not been confirmed by the Province.

Use of budgets by Agencies and Children's Services

TCS uses the annual budgets as a mechanism to ensure accountability for the use of public funds, which the City extends to agencies that provide child care services.

The Agency will use the funds provided only for the expenses, according to the budget guidelines, that directly support the provision of licensed child care services in the City of Toronto.

Budgets are financial planning tools used by organizations. The **CWELCC**, fee subsidy, and General Operating Funding (GOF) paid to the agencies with whom the City has a Service Agreement, are based on budgeted expenses and operating information. It is critical to ensure the budget information and current Operating Capacities submitted is accurate.

Agency funding increases for 2024 are dependent on the funding available to TCS. It is the agency's responsibility to ensure that financial commitments in advance of committed 2024 funding from TCS can be sustained.

What is Budget Analysis?

TCS analyzes budget information using relevant guidelines and policies to approve expenses and determine funding levels while ensuring accountability over public funds and system management. The analysis includes reviewing the reasonableness and sustainability of the centre's operating plan, the centre or Agency's financial viability, and the ability to provide quality child care. If applicable, the current year budget is compared to the prior year's approved budget, funding and audit results to identify significant variances that require follow-up.

Operator Onboarding Guide

As part of efforts to provide information and resources to new operators and/or new agency financial staff, TCS has developed an [onboarding document](#). The document identifies available resources and links to information. TCS will also provide in-person opportunities where operators can work on location budgets and learn how the Budget Application is used with support from TCS staff. These opportunities will be communicated through email to the primary Agency contact.

Column A (Prior Year Approved), B (Prior Year Actuals) and C (2024 Budget)

The revenue and expenses reported for the upcoming budget year (2024) should reflect planned operations.

If a revenue or expense category had a value in the previous year that category is prepopulated at a default value of zero (\$0) in the current year. If the default value of zero (\$0) is not updated a message will display and an explanation will be required in order to proceed.

Prior Year Approved (Column A)

The revenue and expense amounts approved by TCS for the prior budget year are pre-populated in Column A of the Budget App.

For locations with a new Service Agreement in 2023, this column may be blank and should not be changed.

Prior Year Actuals (Column B)

The amounts entered in this column should be based on actual revenue and expenses from January 1 to September 30, 2023 and a reasonable estimate of the amounts for October 1 to December 31, 2023. Do not include any revenue or expenses related to the **CWELCC** Implementation Grant.

Include any revenue and expenses related to the Professional Learning Strategy Funding. Use the "City Grants Excl Per Diem" and "Other Expenses" lines respectively.

2024 Budget (Column C)

The projected revenue and expenses for 2024 are to be entered in "Column C".

Projected revenue from fees must include **CWELCC** affordability funding. The online budget application has a new line for **CWELCC** funding. The amount entered in the **CWELCC** line can be estimated using your existing Schedule 17.1, and also considering any changes to operating capacity. Projected expenses should include salary increases, increases to operating expenses related to inflation / cost-of-living, and any other planned increases to operating expenses based on expansion/ reduction of capacities.

Centre Operating Days

Days of Operation

The accuracy of the operating day is critical to approving funding.

TCS can only pay for fee subsidy on days on which care has been provided, except for designated holidays, which may be approved for payment. Closed days are not approved for payment.

TCS will pay **CWELCC** on the days families are charged including closed days. To participate in **CWELCC** locations cannot increase the number of closed days families are charged and may not charge families for more than two consecutive weeks or four weeks (20 days) of closed days (refer to [Ministry of Education CWELCC Guidelines](#)).

- The maximum number of operating days for 2024 is 262.
- When entering Additional Closed Days, select "Closed - Fee Charged" if the centre is closed but fees are charged to families. Select "Closed - No Fee Charged" if fees are not charged to families.
- Planned changes to operating days should be communicated to TCS in advance, wherever possible, as changes may affect the centre's funding levels and timing of payments. Centres that close for additional days after the approval of the budget will not be paid for these additional days of closure unless prior City approval has been obtained.
- For emergency closures (unplanned), contact your Visit Consultant as soon as possible.
- Centres in receipt of GOF funding who wish to reduce their days of operation (and offer care part-year), must notify TCS in advance to maintain their existing fee subsidy and current funding levels. For more information, refer to the [Full-Time Access to Service Policy](#), which is available on the 'Early Learning & Child Care Partners - Contract & Financial Information' web page.

Designated Holidays

The Designated Holidays list below outlines the ten statutory holidays recognized by TCS as designated holidays.

Holiday	Date
New Year's Day	January 1, 2024
Family Day	February 19, 2024
Good Friday	March 29, 2024
Victoria Day	May 20, 2024
Canada Day	July 1, 2024
Civic Holiday	August 5, 2024
Labour Day	September 2, 2024
Thanksgiving Day	October 14, 2024
Christmas Day	December 25, 2024
Boxing Day	December 26, 2024

National Day for Truth & Reconciliation is a new Statutory Holiday for the Canadian Federal Government. If the Agency is closed on September 30th and it falls on a weekday, enter this day as an additional closed day when completing the budget submission. Currently the Province of Ontario has not designated this as a statutory holiday and therefore would not be eligible for payment.

- Centres that close on any of the designated holidays included in the list above, may be approved for payment if: children are enrolled at the centre during the period of closure, parent fees are charged for the day of the designated holiday, and care is provided on the weekday immediately before or immediately after the designated holiday.
- A centre will be paid for both Christmas Day and Boxing Day if children are enrolled at the centre during the period of closure, parent fees are charged for both holidays, and care is provided on the weekday immediately preceding Christmas, or the weekday immediately following Boxing Day.
- If a statutory holiday falls on a weekend, a centre may designate an alternate day on which the centre is closed. The alternate day of closure must be specified in the online budget and it must occur within a period that is no more than two weeks prior to or following after the statutory holiday. The alternate day of closure must also occur within the same calendar year as the statutory holiday.
- Easter Monday closures entered into the budget will not be funded through fee subsidy.

Non-Instructional Days

The List of Non-Instructional Days outlines the school holiday breaks and Professional Activity ("P.A.") Days for the Toronto English and French School Boards in 2024.

Toronto District School Board (TDSB) and Toronto Catholic District School Board (TCDSB)	
Date(s)	Description
January 2 – 5, 2024	January Winter Break
January 19, 2024	P.A. Day
February 16, 2024	P.A. Day
March 11 to March 15, 2024	March Break
April 1, 2024	Easter Monday
April 19, 2024	P.A. Day
June 7, 2024	P.A. Day
June 28, 2024	Last Day of School
July 1, 2024	First possible day of summer camp
September 1, 2024	Last possible day of summer camp
September 2, 2024	First day of Before/After School offerings
September 3, 2024	First day of school
October 4, 2024	P.A. Day ¹
November 15, 2024	P.A. Day ²
December 2, 2024	P.A. Day ³
December 23 to December 31, 2024	December Winter Break ⁴
Conseil Scolaire Catholique MonAvenir and Conseil Scolaire Viamonde	
Date(s)	Description
January 2 – 5, 2024	January Winter Break
February 2, 2024	P.A. Day
March 8 to March 15, 2023	March Break
April 1, 2024	Easter Monday
June 7, 2024	P.A. Day
June 26, 2024	Last Day of School
June 27, 2024	P.A. Day
June 28, 2024	P.A. Day
July 1, 2024	First possible day of summer camp
September 1, 2024	Last possible day of summer camp
September 2, 2024	First day of Before/After School offerings
September 3, 2024	First day of school
October 18, 2024	P.A. Day ¹
November 15, 2024	P.A. Day ²
December 23 to December 31, 2024	December Winter Break ⁴

Disclaimer: The P.A. Days between October and December are a reasonable estimate. The List of Non-Instructional Days is a guide. If there is a discrepancy between the non-instructional days listed in these guidelines and those approved by the four Toronto School Boards or Ministry of Education, the latter will be deemed correct.

- ¹ Date cannot be confirmed at the time these guidelines are published but can be reasonably assumed as the October P.A. Day for English School Boards historically occurs on the Friday preceding Thanksgiving Day and the October P.A. Day for the French School Boards historically occurs on the 3rd Friday of the month.
- ² Dates cannot be confirmed at the time these guidelines are published but can be reasonably assumed as the November P.A. Day for both School Boards historically occurs on the 3rd Friday of the month.
- ³ Date cannot be confirmed at the time these guidelines are published but can be reasonably assumed as the December P. A. Day for the English Boards historically occurs on the 1st Friday of the month.
- ⁴ Dates can be pre-determined for the December Winter Break based on requirements set out in the Education Act R.R.O. 1990, Reg. 304: SCHOOL YEAR CALENDAR, PROFESSIONAL ACTIVITY DAYS

Summer Camp Dates

How are summer camp dates entered for monthly and daily fee structures?

Summer Camp covers the period of care that falls within summer months (July and August) and applies to kindergarten and school age children, who typically attend school full-time.

In order for the TCS system to transition children between the Summer Camp service offerings and the Before and After school service offerings there must **not** be a gap in start and end dates. Since there are different rate structures from instructional days, different approaches must be taken to ensure there is no gap between the start and end of each service offering where care is offered.

If the Centre has a:

- **Daily fee structure:** the Budget App will require the date selected, by the Agency, to be between the first and last possible day of summer camp as identified in the table above..
 - If there are any days the Agency chooses not to offer a summer camp service during the camp period, the Agency must enter additional closed days.
- **Monthly fee structure:** the Budget App will require the date selected, by the Agency, to begin on July 1 and **must** end on **August 31**.
 - If an Agency offers a summer camp service for any of the days after August 31 the Agency must increase the additional P.A. day by the number of days after August 31.
 - If there are any days the Agency chooses not to offer a summer camp service during July 1- August 31, the Agency must enter additional closed days.

Agency Closed Days

Agencies with multiple sites can enter designated statutory holidays and additional closed days for all locations under the Agency Stat Holidays and Days Closed tab of the operators' online Budget App. Entries made here will default to the Centre Operating Days in individual location budgets. Individual Budget locations can be updated if dates are different from that of the Agency. The rules for Agency closed days are the same as those for centre operating days.

Service Offerings and Fees

The age groups served and the fees a centre charges to the public are used by TCS to accommodate placement of children, generate monthly attendance records and reports, provide payment for service, and to determine funding for the budget year.

Accordingly, TCS requests specific details on fees and service offerings in the online budget.

Service Offerings

A Service Offering is a description of the services a centre provides, as identified on the centre's public fee memo. Service offerings capture the age group served, the days service is provided, the time service is provided, and any indicators of an alternate fee type; e.g. employee rate, student rate, higher fee charged for non-instructional days.

Service offerings are required for the placement of children with fee subsidy at a child care centre. These descriptions are standardized, and the online budget and attendance systems use the service offering details to perform funding calculations for budget and payment.

When a centre has a new program, or is no longer offering a service, the Agency must notify their Budget Consultant to add or delete service offerings. If the centre posts a public fee memo in addition to the system generated fee memo from the Budget App, the information must match.

For information on viewing service offerings refer to the [instructions](#) available on the 'Early Learning & Child Care Partners - Online Services' web page. If any of the details for a particular service offering are incorrect, the Agency must contact their Budget Consultant to have the corrections made.

Public Fees & Fee Subsidy—NEW

TCS will not pay a fee subsidy rate higher than the fee charged for full fee-paying families (a family that is not in receipt of fee subsidy) at a centre.

For centres and eligible aged children that are participating in the **CWELCC** system, the fee subsidy funding may remain static at the 2022 rate to coincide with the **CWELCC** fee. **CWELCC** funding will be calculated using the budget information submitted. These budget guidelines are subject to change upon the issuance of updated or new Provincial Funding Formula guidelines.

Guidelines on Fees— NEW

All centres participating in the **CWELCC** system, must enter the full 2022 frozen fee that is partially funded through **CWELCC**.

For example, the March 27, 2022 Frozen Fee for Preschool is \$50, therefore families are paying \$23.62 and **CWELCC** funding is \$26.38. Enter a fee of \$50 into the 2024 budget for the preschool service offering. Centres participating in the **CWELCC** system will continue to charge families the reduced Frozen Fee, as per the above example would be \$23.62. This is subject to change upon receipt of the Provincial Funding Formula guidelines.

If a location has a fee structure that incorporates base daily fees and surcharge fees prior to March 27, 2022, both are subject to fee reductions. The budget frozen fees entered should incorporate the March 27, 2022 for both the base fee and surcharge. An added surcharge after March 27, 2022 without previously communicating a plan to add them would be considered a fee increase and would not be permitted.

For **ineligible age groups and locations that are only in receipt of fee subsidy**, enter the 2024 public fee in the budget that is charged to families. For example, a school age fee was \$32 in 2022, \$33 in 2023, and planned for \$35 in 2024. Enter a fee of \$35 into the 2024 budget for the school age service offering.

When establishing public fees, agencies should ensure that the fee established for each age group/program is reflective of the expenses of providing care. Only child care centres that are not participating in the **CWELCC system** are permitted to change the fees charged to the public. The Agency must inform their Budget Consultant immediately when decisions are made to implement changes to the fee charged to the public, as there may be an impact to the centre's funding levels.

The Full-Time Access to Service Policy highlights:

- Fees reflect the actual cost of care for an age group (i.e. younger age groups cost more to operate)
- Centres should set fees that are reflective of the cost based on the hours service is provided.
- Centres must follow the [Full-Time Access to Service Policy](#) including, before and after school care must provide a corresponding summer camp program. Centres who do not provide a summer camp program must be able to demonstrate there is insufficient demand to operate a summer camp program by surveying families on an annual basis.
- Centres that operate a summer camp for children aged 4-12 (kindergarten and school age) must establish separate fees for summer camp and before and after school care. The fee during the school year should be reflective of the lower cost of service as a result of the lesser hours required to provide service during the school year.
 - If a public fee value for Kindergarten or School-Age summer camp service offering is greater or equal to the public fee for the Preschool service offering, an explanation will be required to proceed.
- All children attending kindergarten are expected to remain at school on instructional days.

- TCS will not pay a summer camp fee subsidy rate for the Labour Day holiday. Accordingly, all summer camps must end by the Sunday before the Labour Day holiday, i.e. Sunday, September 3, 2023.
- If centres charge monthly fees, the fees and any fee increases must be effective from the first day of the month to the last day of the month. Monthly fees are fixed and do not change based on the number of paid operating days in each month.

System Generated Fee Memo

Note: At this time, the System Generated Fee Memo is only available to locations that receive fee subsidy.

The online Budget App prepopulates the fee memo using the information provided in the Centre Operating Days and Service Offering & Public Fees budget tabs. Once these tabs are completed a "View Fee Memo" link is available. By selecting the link, the system generated template displays the fees entered. The fee memo must be reviewed before submitting the budget. As well, the fee memo is presented in a standardized format and is immediately available for posting. A signed fee memo should not be submitted to TCS.

The listed fees in the System Generated Fee Memo must be reviewed and approved by the Board of Directors or Authorized Agent prior to the budget being submitted.

The System Generated Fee Memo includes the following information:

- programs offerings the centre provides will be populated for each age group; along with the age requirements for each program offering
- the days of the week each program is provided;
- the hours of the day that care is provided for each program;
- the fee term of each program offering (daily, weekly or monthly) ;
- if applicable, any fee changes that will occur throughout the calendar year;
- if applicable, the alternate fee charged for each program (e.g. employee rate, student rate, etc.);
- if applicable, the higher fee charged on non-instructional days (P.A. Days, Easter Monday, March and December breaks and January holiday, Summer Camp when a full month is not offered) when children aged 4-12 years require full-day care;
- A statement identifying if the program is participating in the **CWELCC** system; and
- For programs that are participating in the **CWELCC** system, an additional column that displays the **CWELCC** Fee and a statement that eligible children are charged a percent of this fee.

Failure to disclose any of the information above may result in an overpayment or underpayment. Subject to the terms of the Service Agreement and these guidelines, TCS will recover any overpayments made to an Agency.

The System Generated Fee Memo is required to be signed and posted at child care centres that receive fee subsidy (as mentioned above there is no longer a requirement to submit this signed fee memo to TCS). Agencies may post their own Agency created Fee Memo but are required to post it alongside the System Generated Fee Memo. The Public Fees on both documents must match and accurately reflect what is being charged to families.

Capacity and Enrolment

The operating capacity of a centre and the enrolment by service offering are used directly in the calculation of an Agency's funding for the budget year. In addition, the operating capacities for each age group directly affect the placement of subsidized children, the generation of online attendance, and payment for service. Further details on [CWELCC](#) funding can be found on the web site.

Operating capacities will be used to determine **CWELCC** funding for participating locations in 2024. **If operating capacity changes are planned for the year, it is the agency's responsibility to enter the budget with these changes so funding is allocated properly. If summer camp is closed, close the Service Offering (do not enter enrollment terms with "0").**

Budget submissions must reflect a zero operating capacity for rooms that are not operating.

Funding for inaccurate capacities or closed rooms is subject to recovery of funding by TCS.

The terms 'capacity' and 'enrolment' are defined below:

- The licensed capacity is the maximum number of children by age group based on the license issued by the Ministry of Education.
- The operating capacity is the number of children the centre is planning to serve as per the licensee's staffing complement and budget, to a maximum ceiling of the licensed capacity.
- The enrolment by service offering is the number of children the centre expects to be enrolled in each service offering
- When service offerings operate with efficient group sizes, TCS pays for an additional 2% vacancy rate for fee subsidy (this is based on a decision by Metro Council on June 1993).
 - This 2% recognizes there is always some vacancies in child care centres planned enrolment and is automatically build into the annual fee subsidy funding (for example: move-ups).
 - Rooms that operate with inefficient group sizes do not receive this 2% vacancy rate.

The licensed age category and/or staffing ratio of the room determines which service offerings are available in the online Budget App for enrolment planning purposes. For example:

- A room licensed for infants (1:3 ratio) will only have infant service offerings available.

- A room licensed for preschool (1:8 ratio) can have preschool and escorted kindergarten service offerings available (since kindergarten is a subset of the licensed preschool group).
- A room licensed for kindergarten (1:13 ratio) operating in shared space will only have kindergarten service offerings available.

Efficient Group Sizes

When approving new Service Agreements, or expansion requests, TCS will only approve funding for efficient group sizes and sustainable operating plans.

The List of Efficient Group Sizes is based on the staffing ratios and maximum group sizes defined in the CCEYA.

Age Group	Ratio	Efficient Group Sizes
Infant	1:3	10
Toddler	1:5	10 or 15
Preschool	1:8	8, 16, or 24
Kindergarten	1:13	13 or 26
School Age (primary/junior)	1:15	15 or 30
School Age (junior)	1:20	20

Consistent with the CCEYA, the staff to child ratio for the kindergarten age group is 1:13. Agencies may continue to operate **existing** kindergarten rooms that are licensed inefficiently, and TCS will continue to purchase these existing rooms.

Approved fee subsidy funding for rooms operating inefficiently, based on the ratios defined under the CCEYA, are calculated on 100% of the planned enrolment.

Service providers should plan to operate efficiently. This means that the operating expenses submitted in the budget should reflect operational efficiency **and** reflect a sustainable operating plan. That is:

- The operating capacity, ratio, and service offerings in each room reflects the age group and capacity the room is licensed for;
- The operating capacity and ratio in each room reflects efficient group sizes based on the ratios and group sizes defined in the CCEYA;
- The total enrolment in each room equals the operating capacity of the room for at least one period of the day;
- The number of program staff included in the budget is reflective of the operating capacity and complies with minimum CCEYA staffing requirements;
- The operating plan recognizes the differing lengths of time a child spends in each age group before they can move into an older age category and allows for sufficient space in each age

group to accommodate move-ups so that bottlenecks and the resulting vacancies, de-admissions, or over-reliance on over-age/under-age requests are limited. For example

- Toddlers can move-up to preschool when they turn 30 months old, whereas the move-up of a preschool child is dependent on their age and the start of the school year. Hence, a centre operating a room of 15 toddlers and 16 preschoolers will have difficulty accommodating the move-ups of toddlers every 12 months since a child may remain in the preschool room for as many as 20 months. Accordingly, this operating plan is not financially sustainable.
- The operating capacity refers to the number of spaces that the Agency will operate in each age-group and room. This may differ from the licensed capacity and these are confirmed annually through the budget process.
- Operating capacity may be planned to change throughout the year due regular enrolment changes (difference between summer and school-year). These ranges are called "Capacity Terms". Capacity terms can also be referred to as the fluctuation in the operating capacity of a service offering and/or room during the year and must be entered into the budget to calculate accurate funding.

Staffing— NEW

TCS supports quality by allowing staffing levels greater than the minimum requirement to maintain ratios under the CCEYA.

The calculation of staffing in the budget allows for **up to** a maximum of one hour per day **per room** (based on minimum CCEYA staffing requirements) to support program quality. The intent is to support pedagogy and staff time for programming preparation and planning or documentation.

Centres that submit a budget reflecting staffing levels above the maximum FTE calculated by the online application need to provide a detailed explanation regarding the centre's staffing needs and specifically why the additional FTE above the guidelines is required.

Salaries, wages, and benefit expenses are the largest expense for a child care centre. As these expenses have a significant impact on the funding, Agencies are requested to provide detailed information regarding staffing expenses. TCS staff may verify salaries during visits to ensure compliance with the Service Agreement. It is the agency's responsibility to ensure that payroll information is current and accessible.

NEW Gross budgeted salaries will now include salary grants for Provincial Wage Enhancement (PWE) and **CWELCC** workforce (CWW) funding. The total gross salary must represent the total salary paid to a staff, inclusive of all grants. This is a change from previous direction in 2023 budget guidelines and this information provides preliminary data in preparation of the new funding formula expected to be implemented in September 2024.

For clarity, the “Total Salary” (A) and “Other Salary Grants” (B) are determined as follows:

Budgeted Salary Amount	Calculation
Total Gross Salary (<i>represents the total salary paid to a staff, inclusive of all grants</i>)	A
Other Salary Grants include:	B = C + D + E
1. PWE (<i>up to \$2/hour, as per PWE guidelines</i>)	C
2. CWELCC Annual Wage Increase (<i>\$1/hour toward \$25/hour, cumulative of 2023 and 2024, as per the Provincial guidelines</i>)	D
3. CWELCC Wage Floor Incremental (<i>see chart below</i>) <i>funding to bring to \$20/hour RECE Program Staff and \$22/hour RECE Child Care Supervisors, as per Provincial guidelines</i>	E
Total Base Wage (<i>represents the salary that is funded by the employer, irrespective of the salary grants listed in this table</i>)	F = A – B

‘Other Salary Grants’ should only include the hourly rate of grants for PWE and CWW, and not the benefit portion, or additional administration and supplemental funding that is part of PWE. Do not include any Pay Equity or General Operating funding used to support wages.

The Wage Floor as set out by the Ministry of Education is as follows:

	2022	2023	2024	2025	2026
RECE Program Staff	\$18	\$19	\$20	\$21	\$22
RECE Child Care Supervisors	\$20	\$21	\$22	\$23	\$24

New: If the gross hourly or gross annual salary exceed the maximum salary, as listed in the 2024 Salary schedule, the amount exceeding will require the agency to enter an explanation and is subject to TCS approval. For the purposes of calculating the fee subsidy funding, total staff salaries cannot exceed the maximum salary established in the 2024 Salary Schedule, listed below.

TCS encourages agencies to provide competitive compensation to their staff that is within the salary schedule listed below. Salaries must adhere to the wage floor guidelines that are set in the [CWELCC guidelines](#).

2024 Salary Schedule		
Program Staff	Annual Salary	Hourly Salary
Untrained Staff or Assistant 35 hour week	\$58,088 to \$63,681	\$31.67 to \$34.72
Trained Teaching Staff 35 hour week Early Childhood Educator Grade 2 or equivalent trained	\$61,146 to \$67,033	\$33.34 to \$36.55
Trained Teaching Staff 35 hour week Early Childhood Educator Grade 1 / Assistant Supervisor or equivalent trained	\$68,060 to \$74,552	\$37.11 to \$40.65
Centre Supervisor 35 hour week	\$93,500 to \$119,274	\$51.37 to \$65.54
Casuals/Supply Staff Trained Untrained		\$33.34 to \$36.55 \$24.17 to \$26.48
Cook/Housekeeper 40 hour week	\$59,505 to \$65,248	\$28.39 to \$31.13
Food Services Worker/Caretaker 40 hour week Dietary Aide	\$53,448 to \$58,562	\$25.50 to \$27.94
Administration 35 hour week	\$140,053	\$76.95

In 2024 the minimum hourly salary rate is \$16.55 effective October 1, 2023. The base salary (exclusive of any grants paid directly to staff i.e. PWE and CWW) for all staff must meet the minimum wage as set out by the Ministry of Labour.

The maximum allowable salary for a non-RECE staff is 5% less than the entry-level salary for a RECE teaching staff, regardless of years of service. Non-RECE staff salaries may be above the maximum where a copy of the Agency's pay equity plan supports this claim. The minimum hourly wage payable must comply with minimum wage requirements.

The development of a fair pay scale helps to plan ongoing reasonable compensation for Registered Early Childhood Educators (RECEs) and Assistants. It provides a salary structure and a predictable path for staff compensation. A centre can increase staff recruitment, satisfaction and motivation by having an open, fair and equitable pay scale that is used consistently, which can provide stability to the workforce.

TCS recommends that all Agencies have a [Pay Scale](#) in place, that is reviewed and updated annually as outlined in the Fact Sheet available on the public web site; [Contract & Financial Information](#) page.

If there was a staffing cost entered in the previous year it has been prepopulated at a default value of zero (\$0) in the current year. If the default value of zero (\$0) is not updated a message will display and an explanation will be required in order to proceed. If a staffing position is no longer required it should be deleted from the App in order to proceed.

General Operating Funding (GOF)

Pending the changes to the Province of Ontario Funding Formula for child care, the funding amounts in Agency schedules known as GOF, may be embedded and treated as a component of overall compensation. In 2024 GOF funding remains as a stable revenue source to encourage better staff compensation, and offset the full cost of care, resulting in stable or lower parent fees. GOF funding is not paid directly to staff and may not be used to offset an agency's minimum mandatory staffing requirements (e.g. minimum wage and mandatory benefit expenses).

Agencies are accountable for GOF and must comply with the funding requirements stated in the [General Operating Funding Guidelines](#) and Implementation Plans (if applicable) as part of the Service Agreement contractual requirements.

Agencies that receive the historic 1999-2005 Pay Equity Grant funding as an amount embedded within the agency's total GOF funding must continue to use the funds to support the agency's pay equity plan; pay equity funding is not shown separately in the annual budget submission.

Staff Plan

The budget must demonstrate compliance to the minimum staff to child ratio for the number of children enrolled in the service offerings. In addition, the minimum number of RECE staff required in a room as legislated by the CCEYA must be included in the staffing plan. The City recognizes that some additional staff may be required above the minimum standard, for operational reasons such as a 10- hour or 11- hour operating day. The online Budget App calculates the number of FTE based on the days and hours that each staff works, the centre's days of operation, and the standard work-day hours.

Service providers who include program staff above the maximum allowable will be required to enter an explanation in the online Budget App to demonstrate the reasonableness of the request.

Positions in the budget include RECE, assistant (non-RECE), supervisor, second supervisor and supervisor acting as RECE, administration, housekeeper/cook, caretaker/cleaner, and "other". A staff may work in more than one position. TCS reviews salaries for reasonableness based on factors such as the size of centre, job duties, and hourly wage.

Allocation of Other Grants for Salary—NEW

Agencies who receive salary grants from other funders (e.g. Human Resources and Skills Development Canada, or United Way), which are allocated to staff as a direct payment included in their gross salary, must report the amount of grant distributed to each staff in the Other Grants column.

Other Salary Grants must include projected 2024 amounts relating to PWE and/or CWELCC workforce compensation funding.

Administration Expenses

Allowable administration expenses relate to staff that perform administrative functions. Business travel, office expense, audit or professional fees, etc. are not allowable administration expenses and should be recorded under the appropriate expense category.

Expenses recorded as administration are for individuals or organizations that perform administrative services for the child care centre.

There are three sub-categories of administration expense; salaried administration (requires T4), contracted administration, and central allocated administration. The total administration expense for a centre is the sum of the salaried administration, contracted administration, and central allocated administration expenses entered in the budget.

The allowable administration cost for a centre with an operating capacity of 90 children or more, will require an explanation if it exceeds the amount of a full-time administrator salary as listed in the 2024 Salary Schedule. The allowable administration expense is prorated for centres where the operating capacity is less than 90 children. The amount exceeding the salary schedule is subject to TCS review for funding and will not be included in the calculation of fee subsidy funding.

Administration expenses are reviewed for reasonableness as part of the budget analysis process, irrespective of the maximum amount. Administrators who are absent from the centre for part of the year must provide details of the administrative functions performed throughout the year that warrant an annual salary. The Agency may be required to provide additional information or documentation to support the reasonableness of either administration category in the budget.

As per the Service Agreement an Agency shall not charge any surcharge, administrative fee or other levy to families over and above the aforesaid approved fees without the prior written approval of the General Manager. All expenses related to program delivery are to be reflected in the parent fees of the Agency or location. Expenses affiliated with registration can be included in the appropriate expense lines.

Administration expenses can be budgeted in three categories:

- Salaried Administration (T4 required)
- Contracted Administration—includes non-salary contracted services (e.g. bookkeeping, accounting, or management services)
- Central Allocated Administration—Organizations with multiple sites may include centralized administration expenses actually incurred and allocated to the locations that are funded.

Administration expenses must be detailed listing staff name, job duties, total gross hourly or gross annual salary the staff receives from the Agency, and total days/hours worked for the Agency. The percentage of this total salary allocated to the TCS funded group child care must be entered and this amount will be allocated to the pool of Central Allocated Admin expenses. This pool is then available to allocate a portion of these expenses to each location.

Tip: It is recommended to complete the Central Allocated Administration tab prior to completing the location budgets in order to set up an administration salary pool that can then be allocated to each location.

The amount entered in the column "% allocated to child care" to establish the total salary pool should only reflect the administration expenses allocated to the child care centres. Agencies who submit budgets to TCS for Home Child Care, EarlyON Child & Family Centres & Indigenous-Led (Journey Together) Programs, or Every Child Belongs (Special Needs Resourcing) will capture administration in those respective budgets.

Staff Positions

Supervisor (SUP)

Allowable supervisory hours can only be determined once the capacity and enrolment for the centre is complete. In a centre with fewer than 5 full time teaching staff to meet CCEYA ratio requirements, the supervisor may be considered as one of the full-time program staff (on the pick list select "Supervisor Acting as RECE"). In a centre with five or more but less than seven full time teaching staff, the supervisor may be a program staff for ½ of the time and conducting supervisory functions for the remainder of the time. A centre with more than seven full-time teaching staff must have a full-time supervisor at all times.

In a centre where a supervisor is not required full time, the supervisor can be partly allocated to: supervisor (on the pick list, select "Sup" for position); and/or administration (on the pick list, select "ADM" for position); and/or program (on the pick list, select "Supervisor Acting as RECE"), depending on the number of hours actually spent in performing each responsibility.

Second Supervisor (SUP2)

Where an additional supervisor is required, the 'SUP2' position code should be used for the individual acting as the second supervisor. The online Budget App will prompt the Agency to provide an explanation if a second supervisor has been included in the staff plan, which will be subject to TCS review.

Program Staff

Program staff include the following positions: RECE, Supervisor acting as RECE (SRECE), Assistant (ASST) and Director Approved ECE (DAECE). The budget must include sufficient program staff to meet the child/staff ratio required for the number of children by each service offering in each room.

Each staff entry for these positions must indicate the hours and days the staff works with each age group.

- Staff working with one age group for the same number of hours throughout the year should only be entered once; i.e. PS staff working 7 hours/day for 262 days.
- Staff working with one age group whose hours fluctuate throughout the year can be entered once if the hours worked are averaged over the total days worked in the budget year, or multiple times to reflect the fluctuations. For example, a SA staff that works 5 hours per day during the school year and 7 hours per day during summer can be entered as working 5.38 hours/day for 262 days, or as working 5 hours/day for 210 days and 7 hours/day for 50 days.
- Staff working with more than one age group must be entered multiple times to reflect the hours/day and days/year worked with each age group; i.e. staff that splits their time equally between infants and toddlers can be entered as working 3.5 hours/day for 262 days with infants and 3.5 hours/day for 262 days with toddlers.
- A Director Approved ECE is a person employed in a child care centre who is approved by a director appointed under the Child Care and Early Years Act, 2014 (CCEYA) to work in the place of a registered early childhood educator (ECE). While ECE and DAECE positions have the same budget salary guidelines, the positions must be submitted separately in the budget. Director Approved ECE positions are not eligible for **CWELCC** Workforce funding.

Housekeeper/Cook (HK)

Staff who prepare meals, wash dishes, or other related duties are classified as housekeeper/cook. Centres who prepare food on the premises may include the cost of a full-time housekeeper/cook. Where the food is catered, a part-time housekeeper/cook may be included in the budget.

Caretaker/Cleaner (CT)

Staff that are employed by the centre who provide janitorial/cleaning services are classified as caretaker/cleaner. TCS reviews the salary for reasonableness based on factors such as the size of centre, job duties, and hourly wage.

Cleaning services provided to the centre by an individual or company that issues the centre an invoice for its services are considered contracted expenses (i.e. non-salary) and should be recorded in the Other Staffing Cost section of the budget under Contracted Caretaker/Cleaner.

Contracted Caretaker/Cleaner

This category includes non-salary contracted cleaning expenses.

Other

This position is used for any position other than those previously listed, whose salary expenses are not included in the calculation of a centre's fee subsidy funding e.g. bus driver. When this position code is used, the online Budget App will prompt the user to provide an explanation of the position, whether the position is funded through an alternate revenue source, or a rationale for why the salary and benefit expenses for the position should be included in the calculation of the centre's funding.

Casual/Supply Staff

This category is to recognize the cost of hiring supply staff to replace regular program staff that are absent or on vacation. If more than 10% of total salary staff expenses is submitted, an explanation is required and is subject to TCS review and approval.

There are two categories for Casual/Supply Staff:

- 1) **Casual Salaried** supply staff are those employed directly by the child care agency and are issued a T4 or T4A slip; and
- 2) **Casual Contracted** are not employed by the child care agency; rather they are employed by a temporary employment service who invoices the centre for the services rendered.

If the total of these two categories exceeds 10% of the total expenses for staff expenses (excluding administration), an explanation will be required.

Staff Benefits

This category is to recognize the employer contributions for staff benefits. If more than 25% of total projected payroll salaries of staff is submitted, including salaried Casual and Salaried Administrative Staff, an explanation is required and is subject to TCS review and approval.

Budget Expense Categories

Program Related

This category includes expenses incurred in the direct delivery of core services (excluding salaries, wages and benefits) such as play materials, play equipment, and furnishings that are purchased and are

individually less than \$5,000. It also includes equipment repairs, diapers, transit for trip expenses and admission fees for trips.

Food - Prepared on Premises

The cost for food purchased for all meals and snacks are reported in this category. Staffing expenses related to staff who prepare food are not included in this line item; they are reported under Housekeeper/Cook in the staffing plan.

Food – Catered

Catered food expenses for all purchased meals and snacks are reported in this category. Staffing expenses for part-time housekeeper/cook related to food preparation are not included in this line item and should be entered in the staffing plan as housekeeper/cook.

Rent— NEW

New update (November 2, 2023) for locations in the Toronto District School Board (TDSB) schools covered under the City of Toronto Occupancy Agreement: The Toronto District School Board has terminated the Occupancy Agreement effective December 31, 2023, resulting in a change in how rent expenses for impacted programs are represented and submitted in the budget. This applies to any space in a TDSB school that was under the former Occupancy Agreement only. For locations that are impacted, they will have a new lease agreement directly with the TDSB, the rent expense should be entered into the budget submission using the following formula:

\$10.85 x Square Feet for Exclusive Space covered under the Umbrella Agreement

The budget submission should reflect the full estimated rent amount and TCS will review for funding approval. **There is no change to the Occupancy Agreements with other school boards.**

Rent includes rental expenses associated with the child care location, not including permit fees paid to the school board. A copy of the current lease/leases is to be available to TCS upon request. The lease agreement must support the rent cost included in the budget submission. In certain cases, a lease letter is acceptable. This letter must be updated annually and must specify rent amount. Rent is assessed for reasonableness in comparison to the lease and considers the utilization of the licensed capacity.

If the lease agreement specifies an amount that is charged for utilities and maintenance, these expenses should be reported as utilities/maintenance expense.

A lease or lease letter must include the following:

- Address on lease must correspond with the location of the centre.
- Length of time of lease must be specified.

- Description of space being used for the child care centre and the amount of square footage being used must be specified. If the percent of building occupancy is included, this must be specified and be reasonable based on the Consultant's knowledge.

Documents must be signed, dated and be on the letterhead of the landlord/property management company/property owner.

Agencies must provide a certified market value assessment to confirm the reasonableness of rent expense if the child care centre pays rent to a related party that owns the building in which the centre is located.

School Board Permit Fees

Permit fees are those paid to the school board for non-instructional days or for alternate space, that is **not** already paid to the school board through a lease agreement or directly paid by the City under the School Occupancy Agreements. A copy of the invoice may be required to support the permit fees included in the budget submission.

Mortgage Carrying Costs

Interest charged for a mortgage may be included in this category. The principal portion of the loan is not funded through fee subsidy, but may be funded through **CWELCC** only. A copy of the mortgage document specifying the current mortgage carrying costs must be submitted to TCS and will be retained on file.

Utilities/Maintenance

Utilities and maintenance expenses for the repair and upkeep of the property related to the child care centre are included in this category. If the lease agreement specifies an amount that is charged for utilities and maintenance, these expenses should be reported in this category.

Amortization/Depreciation

NOTE: Funding for capital purchases is subject to change upon the issuance of Provincial Funding Formula guidelines. It is the agency's responsibility to ensure that financial commitments in advance of committed 2024 funding from TCS can be sustained.

This category includes expenses of a capital nature that individually exceed \$5,000. This may include depreciable assets such as furniture, playroom and playground equipment, computer hardware and depreciable leasehold improvements. This is not applicable to centres located in schools as capital expenditures/leasehold improvements to school buildings are funded separately by the school board.

The purpose of this expense category is to allow the cost of capital purchases that could not be otherwise funded through Minor Capital and Health and Safety Grants or other funding sources. The intent is to

provide funding for these expenditures through the funding a centre receives over a period of time (generally five years) as this allows for a more efficient allocation of public funding while also minimizing significant fluctuations in public fees and funding.

The expenses in this category should only include current capital purchases where funding is being requested. This amount will be different from the amortization in the financial statements that represents the allocation of capital expenditures based on the centre's own accounting policies for calculating amortization, which is not an allowable budget expense. Invoices must be provided as supporting documentation for any amortization amount included in the budget submission. All purchases in this category must be depreciated/amortized over a minimum of five years.

Minor Capital and Health and Safety projects funded by the City through approved grants must not be included as an amortization expense. If expenses for the project exceed the portion funded by a grant, the excess amount may be included in the budget submission. For example, if a centre received \$50,000 in Health and Safety Grant funding towards a renovation with a total cost of \$60,000, they may include \$10,000 as amortization.

If a centre is budgeting amortization expenses in the 2024 budget, the [amortization spreadsheet](#) must be completed and submitted with invoices. The spreadsheet can be found on the 'Early Learning & Child Care Partners - Contract & Financial Information' web page. The amortization spreadsheet and invoices should be submitted to TCS. Minor Capital and Health and Safety grants may be available to support maintaining facilities in a state of good repair.

Property Taxes

Property taxes applied to the child care centre should be reported under this category, separate from rent or mortgage carrying costs. If property taxes are incorporated into the rental agreement and monthly rent expense, do not enter property taxes separately on this line.

Insurance

Insurance expenses for each location related to coverage of a minimum of \$2 million general commercial liability and coverage for Director's liability are reported in this category.

The certificate of insurance must list all locations where programs are delivered and are in receipt of funding from the City, contain a cross liability clause, and name the City of Toronto as an additional insured.

Cleaning & Housekeeping (Supplies)

This category includes supplies for cleaning, laundry and kitchen supplies. It does not include any staffing expenses for staff that perform cleaning/housekeeping tasks.

Office Related

Items purchased for office use that are less than \$5,000 such as advertising, telephone, internet, and bank charges are reported in this category.

Professional Fees

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

Legal Costs

This category includes all legal costs, related to the operation of the centre.

Professional Development

This category includes staff training and development, conferences, and resource material costs.

Business Travel

Allowable travel expenses are those that relate to centre business. When travel expenses submitted exceed \$1,500, an explanation will be required and subject to TCS review and approve.

Other Expenses (Other Expense 1 & Other Expense 2)

Any expenses that are unique to the centre that have not already been itemized are included under other expenses. A description of these items is required and may include subscriptions to journals and magazines, memberships, and parent/board expenses. As per the Provincial child care funding guidelines, fees paid on behalf of staff for membership in professional organizations such as the College of Early Childhood Educators are inadmissible. The Audit Guidelines provide additional expenses that are not allowable in budgets for fee subsidy funding.

Budget Revenue Categories

Full Fee

Revenue collected from families including the reduced **CWELCC** fees and full fees for non-eligible age groups or non-participating **CWELCC** locations.

Parent Portion

Revenue collected from the family for their portion of fee subsidy.

CWELCC—NEW

Enter the estimated 2024 **CWELCC** funding on this line. TCS requires agencies to estimate based on the 2023 funding approach, which is subject to change upon receipt of the Provincial Funding Formula guidelines.

To estimate the total **2024 CWELCC Revenue** calculate the following for each eligible service offering:

$$((\text{Frozen Fee} \times 52.75\%) \times 2024 \text{ Operating Capacity} \times 2024 \text{ Number of Operating Days})$$

Cost Escalation provided in 2023 may be included in Other Revenue. Do not include 2023 Implementation Grant funding in this estimate.

Fee Subsidy

Budgeted fee subsidy revenue is the portion of fee subsidy that comes directly from the City. It should be based on current funding levels (i.e. fee subsidy rates in effect at the time when the budget is submitted) plus a reasonable projected increase, which must be proportional to increases in net expenses (budgeted expenditures less GOF funding) and full fees. Agencies should budget fee subsidy revenue based on the planned operating capacities.

General Operating Funding

Pending the changes to the Province of Ontario Funding Formula for child care, the funding amounts in Agency schedules known as GOF, may be embedded and treated as a component of overall compensation.

The GOF funding amount approved in the prior year's budget will appear in Column A and will be prepopulated in Column B Actual.

The total GOF funding will equal the GOF funding stated in the Agency's Service Agreement, Schedule 1.3. If the total GOF funding paid differs from the stated amount in the Service Agreement, Agencies should contact their TCS Consultant.

The total annual GOF funding in Column C will equal the current GOF value per point and the capacity and enrolment entered in Tab 3 of the online budget. The amount will reflect the approved operating capacities for infant, toddler, or preschool, and any decreases to operating capacity or days of service.

Revenue – Other Revenue

Minor Capital Grant

Health and Safety Grant/Minor Capital funding received in 2022 should be reported in Column B. The amount of the expenditure should also be reported under "Other Expense" in Column B.

DO NOT include any anticipated funding related to the Capital/ Start-Up Grant for **CWELCC**.

City Grants Excluding Per Diem/Fee Subsidy

The budget line items for City Grants received and GOF **will** be deducted from total approved operating expenses to calculate net approved operating expenses, which will be used to determine the fee subsidy funding. The budget line for Other Grants/Funding **will not** be deducted from total approved operating expenses to calculate fee subsidy funding.

Centres that enter other types of grants for the funding year are required to provide an explanation detailing the source of the funding and the intended purpose of the funding.

Other Grants/Funding

Funding received from other sources (such as United Way or a Foundation) that will be used to cover operating expenses for the child care centre should be reported under this category.

Agencies must include all Professional Learning Strategy funding received within the "Other Revenue" tab, in Column B under Reported Actuals for 2023 under the "Other Grants/Funding" line.

Surplus / (Deficit)

The surplus / (deficit) line allows agencies to report any planned over or under expenditure for the funding year. For locations participating in **CWELCC**, the budget may present a deficit as a result of the frozen fee revenue and/or the inclusion of PWE and CWELCC grant in the staff salaries.

Pending Operator Action

Through the budget analysis, any adjustments that are made that will impact funding and/or attendance, will require the operator to acknowledge the adjustment. The process to notify operators of these adjustments has been automated and the Agency Primary Contact will receive an email notification indicating that action is required to the budget. It is crucial that the agency contacts are current to ensure communication is sent to the appropriate individual.

The email will indicate the steps to be taken to review and acknowledge the changes. Only a user with Signing Authority will be permitted to click "Acknowledge".

For questions regarding the adjustments, please contact the Budget Consultant or Budget Coordinator.

Budget Submission Deadline

The online budget and all supporting documents are due on **November 30, 2023**.

This deadline must be met to be in compliance with the Service Agreement and to determine the funding amount for 2024.

Supporting Documents

If an amount has been budgeted for Amortization, Rent, and/or Mortgage Carrying Costs, a current copy of the supporting documents must be submitted. In addition, if an agency is unionized, a collective agreement must also be submitted. Required documents must be submitted in order for TCS to analyze and approve the budget. For a complete list of supporting documents required, refer to the "Document Submission Check List" on the Summary tab in the online Budget App.

Forward all supporting documents to the centre's Budget Support Assistant. Scanned copies of documents are appropriate. Clearly mark the location name and location ID on the email when scanning. The name and contact information of the centre's Budget Support Assistant is listed under the TCS Contact Info link in Online Services.

Agencies should contact their TCS Budget Consultant if they have any questions about the budget or submission process.

Document Upload

Agencies have access to the document upload portal in [Online Services](#) where required documents can be submitted to TCS. This includes Audited Financial Statements, Insurance and Annual General Meeting Minutes.

IMPORTANT: Sanctions and Penalties

In order for the City to meet our required Provincial reporting obligations, and to determine the system cost in a timely manner, so that rates are confirmed for Agencies as soon as possible, TCS will implement sanctions and penalties for late budget submissions and will uphold business deadlines as communicated in the posted [Business Cycle](#).

Under exceptional circumstances, a written extension request may be made to your Budget Consultant no later than November 15, 2023.

Agencies who fail to submit required budgets, reports and other supporting documents on a timely basis may be subject to the following sanctions and penalties:

- Forfeit their funding increases or grant eligibility if no submission is received by budget/grant deadlines

- Changes to the payment schedule, i.e. stop Advance payments and change fee subsidy payments only on final attendance invoice for each month and/or adjust payments from Quarterly Advances to Monthly Advances
- Payments suspended until issue is resolved
- Further sanctions, including but not limited to the termination of the Service Agreement between the City of Toronto and the Agency, the holding and/or recovery of funds, and no consideration for expansions of locations or service levels.

Agency Approval of the 2024 Budget

The budget submission must be approved by the Operator, (Board of Directors/Owner) and submitted by a Signing Officer of the Agency. The Signing Authority must agree to the terms listed at the bottom of the summary tab in the online Budget App. By submitting the budget, the Agency is signing an accompanying document to the Service Agreement between the Agency and the City of Toronto.

Approved Funding

Funding is established using the annual budget submitted to TCS by Agencies with a Service Agreement. Funding is subject to Council approval and available financial resources.

The expenses submitted in the budget are reviewed in compliance with the guidelines, TCS policies and the Service Agreement.

Funding may be decreased based on budgeted/approved expenses. In these cases, the Agency is issued a revised Schedule to the Service Agreement, which will outline the revised funding and the effective date.

Fee subsidy rates use the 'net approved expenses'. The 'net approved expenses' are the total approved expenses in the budget minus funding sources (e.g. General Operating Funding or United Way Funding).

Incomplete or inaccurate budget submissions resulting in underpayments will not be revised after the 2024 budget approvals and system funding levels are finalized.

Update

An “Approved” budget status indicates that the budget has been reviewed by TCS. The funding allocated to a location is finalized through a Schedule and/or payment. An “Approved” budget means that expenses submitted have been funded to the level of the financial resources available to Children’s Services.

Resources

TCS has a number of resources and financial tools available to support agencies in the annual budget submission process. This includes resources and guidelines available on the [website](#), budget launch sessions, virtual and in-person budget labs and access to staff for support.

Reach out to your TCS Budget Coordinator or Budget Consultant for questions or if you require assistance.

Service Provider/Agency Responsibilities

Child care service providers are required to submit various reports/documents to TCS each year. For information on the reporting requirements and submission deadlines, refer to the [2024 Business Cycle](#), which is available on the 'Early Learning & Child Care Partners - Contract & Financial Information' web page.

Child Care Operating Standards

The Child Care Operating Standards (CCOS) are part of TCS's quality framework. All service providers with a Service Agreement for fee subsidy are required to meet the financial requirements outlined in the [Child Care Operating Standards](#) (found on the 'Early Learning & Child Care Partners - Assessment for Quality Assurance web page).

Operator Guidelines for Child Care Fee Subsidy

The Operator Guidelines for Child Care Fee Subsidy are a resource tool. The guidelines are available in the [Operators' Portal](#) in Online Services under Applications / Financial, under Quick Links. The guidelines are available to users with Budget Preparer and Signing Authority Roles.

Audited Financial Statements

In accordance with City policies and applicable Provincial guidelines, all centres with a Service Agreement must provide TCS with audited financial statements, prepared by a Licensed Public Accountant, within four months of the organization's fiscal year end. For more information on the funding details and when an audited financial statement is required, visit the [Audit Guidelines for Agencies](#). The audit guidelines also include details on the treatment of deficits, surplus, recoveries, management letters and more.

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 Budget 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 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 accountant has a valid license to perform audits engagements in Ontario. For more information about Auditors, Audits, 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 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.

Overpayment and Recovery

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

Any overpayment determined through a grant reconciliation shall be returned with a signed reconciliation statement. The grant reconciliation will also be reviewed with the audited financial statements. TCS may also determine that a recovery is required through the following:

- T4 and/or payroll review
- Audited financial statement analysis (for up to 7 prior fiscal years)
- Inconsistent operating capacity resulting in General Operating Funding change or General Operating Funding not used in accordance with the guidelines and/or Implementation Plans, if applicable
- Fee subsidy per diem recovery

A repayment plan for any recovery is negotiable on an individual location/Agency basis, which considers timely repayment as well as the Agency's ability to pay. TCS may withhold payments to recover the amount as determined through the recovery calculation.

Impact of Budget Data on Attendance, Placement, and Payment

The information that an Agency provides on its days of operation, service offerings and public fees, and capacity and enrolment has a direct impact on the generation of the centre's attendance and attendance reports, placement activities, and the timing and payment of fee subsidy payments.

Delays in completing and submitting this information, or providing incomplete/inaccurate information, may result in errors in placements, which may delay the payment of fee subsidy advances and finals. Delays in submitting attendance may also result in the Agency no longer receiving payment in Advance of care being offered.

