2027 BUDGET GUIDELINES FOR EVERY CHILD BELONGS

AGENCIES

(Special Needs Resourcing Programs)

Updated October 8, 2026

This version replaces the guidelines previously dated October 2025

Table of Contents

2027 Budget Guidelines for Every Child Belongs Agencies 1
Purpose and Overview 4
Budgets and Their Use to Service Providers and Children's Services 4
What is Budget Analysis? 4
2027 Budget Package Every Child Belongs Agencies 5
Cover Page- Page 1 6
Officers of the Board and Other Agency Information – Page 1 6
Days of Operation – Page 2 7
Designated Holidays 7
Staffing Information – Pages 3 and 4 8
2027 Salary Schedule 9
1999 - 2005 Pay Equity Grant 11
Wage Grants 11
Salaried Positions 11
Staff Benefits 13
Administration Expenses – Pages 3 and 4 13
Allocated Central Administration – Page 4 14
Amortization/Depreciation – Page 5 14
Operating Budget – Page 6 15
Approved 2026 (Column A) 15
Actual 2026 (Column B) 15
Budget 2027 (Column C) 15
Revenue 15
1999 - 2005 Pay Equity Grant 16
Other Funding- Page 8 16
Other Budgeted Expenses- Page 6 16
Contracted Service Targets – Page 7 19

Other Funding Information – Page 8 22
Program Funding Level 22
Surplus (Deficit) 22
Approval of Budget by the Board of Directors and Budget Submission Deadline 22
Service Agreement Responsibilities 23
Funding Reconciliation Guidelines 23
Other Requirements 24
Other Funding Requirements 24
Overpayment and Recovery 25

Purpose and Overview

The purpose of these guidelines is to provide agencies with a Service Agreement with the City of Toronto guidance on Toronto Children's Services (TCS) annual budget submission process for Every Child Belongs funding, and to assist agencies in completing their 2027 budget accurately. Agencies with a Service Agreement with the City are required to comply with these guidelines.

This document outlines budget submission deadlines, description of the allowable operating expenses funded by the City (and maximum funding thresholds if applicable), how information submitted in the budget may impact funding levels an agency receives, and a brief outline of the budget analysis conducted by TCS.

This document is updated annually to reflect current legislation, guidelines, or policies issued by the Ministry of Education or the City of Toronto, to reflect changes to the child care system, or to provide clarity regarding service provider reporting requirements and/or the City's funding responsibilities in the child care sector.

Budgets and Their Use to Service Providers and Children's Services

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

TCS uses the annual budgets as a mechanism to ensure accountability, for the use of public funds, which the City extends to service providers. The funding paid to the service providers with whom the City has a Service Agreement, are set based on budgeted cost and operating information. As a result, ensuring the reasonableness of the budget information submitted by funded agencies is of critical importance. The agency will use the funds provided only for the expenses, according to the budget guidelines, that directly support the provision of Every Child Belongs services in the City of Toronto.

What is Budget Analysis?

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

2027 Budget Package Every Child Belongs Agencies

NOTE: For the 2027 Budget (Column C) the projected revenue and expenses for 2027 are to be entered.

NOTE: For the 2026 actuals (Column B) the amounts entered should be based on actual revenue and expense from January 1 to September 30, 2026, and a reasonable estimate of the amounts for October 1 to December 31, 2026.

Agencies must submit a budget for each ECB program that receives funding. These guidelines provide users who prepare and submit the budget with an overview of the information that is required in the budget submission.

Cover Page- Page 1

The cover page of the budget package includes agency information and also lists the documents that may be required as part of the complete budget submission.

The budget must be approved by the Board of Directors, and the cover page must be signed by a Signing Officer of the Board before it is submitted to Children's Services.

Officers of the Board and Other Agency Information – Page 1

Complete the required information on page 1 of the budget. 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 2027 must be submitted to Children's Services. This also applies to changes in Signing Officers.

Agencies that have access to the Contacts and User Management tab in Online Services should make changes to Board Members and other Agency Contacts through Online Services and may leave the name and signature section of page 1 blank.

Days of Operation – Page 2

Enter the specific dates and number of days each month that services (e.g., direct service to clients, administrative service to clients) are not provided/available in the Closed Dates table. **Note:** please refer to the example in the table. When the number of closed days for each month has been entered, the total days that services are provided/available is automatically calculated.

Any changes to the days of operation must be forwarded to the Resource Supervisor/Consultant as soon as possible. Calculation should **not include statutory holidays**, as they are already included in the calculation of possible days of operation.

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, 2027
Family Day	February 15, 2027
Good Friday	March 26, 2027
Victoria Day	May 24, 2027
Canada Day	July 1, 2027
Civic Holiday	August 2, 2027
Labour Day	September 6, 2027
Thanksgiving Day	October 11, 2027
Christmas Day	December 27, 2027
Boxing Day	December 28, 2027

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.

If a statutory holiday from the list above 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 budget, and it must occur within a period that is no more than two weeks prior to or following the statutory holiday. The alternate day of closure must also occur within the same calendar year as the statutory holiday.

Staffing Information – Pages 3 and 4

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

Staff salaries that exceed the maximum salary established in the 2027 Salary Schedule listed below will not be funded. The maximum salary or hourly rate is the highest point in the range listed. Where there is no range identified, the amount listed for salary or hourly rate is the maximum.

A full time equivalent (FTE) staff is one who works 35 hours a week. The salary referred to in this principle includes wage grants. Salaries for untrained program staff cannot exceed the maximum salaries established in the 2027 Salary Schedule paid for untrained staff, regardless of years of service. Untrained staff salaries may be allowed to be above the 2027 Salary Schedule, only in circumstances where there has been a pay equity settlement and, in this case, a copy of the pay equity plan must support this claim.

The base salary (exclusive of any grants) for all staff must meet minimum wage as set out by the Ministry of Labour.

Where staff work less than 35 hours a week, the maximum allowable salary is the pro-rated amount based on the number of hours worked in the week. The allowable max salary are listed in the 2027 Salary Schedule below, which includes any historic wage grants.

2027 Salary Schedule

PROGRAM STAFF	CITY OF TORONTO ANNUAL SALARY RANGE	CITY OF TORONTO HOURLY RANGE
Supervisor (35 hours week)	$132,880	$72.73
Resource Consultation Staff (35 hours week)	$83,275	$45.58
Specialized Consultant (35 hours week)	$132,880	$72.73
Administration (maximum applies to an individual salary) **(35 hours weeks)**	Maximum $151,070	Maximum $82.69

In 2027 the minimum hourly salary rate is $17.95 and is effective as of October 1, 2026.

Calculation of FTEs

The number of FTEs is automatically calculated on pages 3 and 4 of the budget when all of the following information has been provided: the number of hours worked a day for each staff; the number of days worked per year for each staff; the agency's standard operating days for the year; and the agency's standard hours per work day.

The agency's standard operating days is calculated on page 2 and carried forward to pages 3 and 4. The agency's standard hours per workday should be entered on the Staffing Sheet on page.

See examples of the FTE calculation below:

Example 1: Hours and days worked by staff same as agency's standard hours and days

An employee works 7 hours per day and 260 days per year, the same as the agency's standard work hours per day and standard operating days for the year. In this case, an FTE calculation is not necessary, and the staff is considered to be 1 FTE.

Example 2: Hours worked by staff differ from agency's standard operating hours

An agency's standard work hours per day is 7.5 hours and operates 259 days per year. An employee who works 4 hours per day for 259 days of the year is 0.53 FTE, which is calculated by dividing the employee's hours per day by the agency's standard hours per workday (4 hours ÷ 7.5 hours = 0.53 FTE). An employee who works 2.2 hours per day at the same agency would be considered 0.29 FTE (2.2 hours ÷ 7.5 hours = 0.29 FTE).

Example 3: Days worked by staff differ from agency's standard operating days

An agency's standard work hours per day is 7 hours and operates 260 days per year. An employee works 7 hours per day for 216 days of the year is 0.83 FTE, which is calculated by dividing the employee's days per year by the agency's operating days for the year (216 days ÷ 260 days = 0.83 FTE). An employee who works only 45 days at the same agency would be considered 0.17 FTE (45 days ÷ 260 days = 0.17 FTE).

Example 4: Hours and days worked by staff differ from agency's standard hours and days

An agency's standard work hours per day is 8 hours and operates 260 days per year. An employee works 180 days per year and 6 hours per day is 0.52 FTE. The FTE is calculated by dividing the product of the staff's hour-days per year by the product of the agency's hour-days per year [(180 days x 6 hours) ÷ (260 days x 8 hours) = 0.52 FTE]. Similarly, a staff who works 95 days per year and 3.3 hours per day at the agency is 0.15 FTE [(95 days x 3.3 hours) ÷ (260 days x 8 hours) = 0.15 FTE].

1999 - 2005 Pay Equity Grant

The base liability funding for 1999 - 2005 Pay Equity Grant ended on December 31, 2005. There is no provision to fund future years' base liability; therefore, any planned 2024 salary increase should be recorded in the column of "Base Salary". Distribution of pay equity grant to individual staff must follow the Pay Equity guidelines and agency's Pay Equity Plan.

1999 - 2005 Pay Equity Grant will continue to be funded as a separate line item for 2024 Accordingly, any Pay Equity Grant paid to staff should be reflected in the 1999 - 2005 Pay Equity Grant column on pages 3 or 4 of the budget.

Wage Grants

Some agencies also receive grants for salaries and benefits, such as Pay Equity grants from other levels of government. These should be included in the appropriate column on pages 3 and 4 for each staff receiving these grants.

Salaried Positions

Provide the following information for each salaried position for which the budget is being submitted:

- the position
- the staff's name
- the number of hours per day and days per year the staff works for this program.
- their base salary, excluding grants; and
- Multi-service agencies or agencies with multiple locations where the staff is working in various location, should record the percentage where the staff is allocated to this location for which the budget is being submitted.
- the total amount of any 1999 - 2005 Pay Equity Grant the staff receives.

Supervisor

The Supervisor is a staff who works supervising Every Child Belongs program(s). If the Supervisor supervises more than one location, list only the hours and salary related to the location for which the budget is being submitted. This may also apply to a Supervisor who also works as a Resource Consultation Staff and/or be responsible for some administration tasks. In this case, the salary should be pro-rated to Supervisor, Resource Consultation Staff and/or administration depending on the actual number hours spent in conducting each responsibility.

The supervisors/managers that directly supervise the staff that provide Every Child Belongs services are to be captured within the Span of Control of 1 to 15. Please refer to the table below for more information.

# FTE	%	%TO USE
1	0.066	0.07
2	0.132	0.13
3	0.198	0.2
4	0.264	0.26
5	0.33	0.33
6	0.396	0.4
7	0.462	0.46
8	0.528	0.53
9	0.594	0.59
10	0.66	0.66
11	0.726	0.73
12	0.792	0.79
13	0.858	0.86
14	0.924	0.92
15	.99 (1)	1

Resource Consultation Staff

List all staff with the appropriate information who work at the location for which the budget is being submitted, or who provide consultation services to the assigned licensed child care programs from this location.

Specialized Consultant

List all staff with the appropriate information that provide specialized consulting services such as an occupational therapist, behaviour specialist, psychologist or psychiatrist, registered nurse etc. at this location.

Specialized Contract Services

Specialized contract services include services provided under contract such as occupational therapist, behaviour specialist, psychologist, or psychiatrist. These expenses should be included under Contracted Services on **page 6 of the budget package.**

Caretaking/Cleaning Staff

Caretaking/cleaning services provided by staff should be listed under salaried positions. Select the Staff Positions from the drop-down list that is applicable to the staff.

If caretaking/cleaning services are provided under contract, include the costs under Contracted Services. Enter the total amount budgeted for the contracted services in the box under "Contracted Services."

Staff Benefits

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 is included in the 25% allowable benefit costs.

Administration Expenses – Pages 3 and 4

Administration may include both salaried and contracted administrative services, including contracted bookkeeping services. The maximum allowable administrative costs can be shared by more than one individual involved in administrative duties. If a salaried employee provides administrative services, provide the details for that employee under Salaried Positions on page 3 of the budget. If more than one salaried employee is involved in administrative duties, record the total salary for each employee under Allocated Central Administration on page 4 of the budget.

The cost for contracted administration services should be recorded under Contracted Administration Services on page 3 of the budget. Contracted administration includes costs for services provided by staff that are not agency employees (i.e. they do not receive a T4 slip or T4A slip from the agency).

Note: The subtotal amount for Administration Costs will be captured on page 6 "Column C"

The reasonable level of budgeted administration costs, both salaried and contracted, is deemed to be up to 10% of the agency's projected program funding.

Allocated Central Administration – Page 4

Multi-service agencies with multiple locations with centralized administration functions should record the salaried administration costs allocated to the location for which the budget is being submitted, on page 4 of the budget. Examples of centralized administration functions may include executive positions, human resources, accounting and payroll, marketing, or clerical support.

The same information provided for salaried positions on page 3 must also be provided for any staff listed under allocated central administration on page 4. In addition, the percentage of the employee's salary that is allocated towards administration costs for the program must also be provided.

The allocated administration costs will be reviewed for reasonableness by the City of Toronto Resource Supervisor/Consultant as part of the budget analysis process. The agency must provide clear evidence that supports the allocation and indicate its reasonableness. Individual salaries should not exceed the maximum salaries as per the 2027 Salary Schedule.

The onus of providing this evidence of reasonableness belongs to the agency and the Resource Supervisor/Consultant must document evidence gathered and document the rationale for conclusion on reasonableness. Please complete page 4 if no other disclosure is provided.

The total allocated salaries and grants amounts will be captured on page 6 column C under Administration.

Agencies that are funded through multiple program types (i.e. CWELCC, EarlyON, ECB & Indigenous-Led Programs) must ensure that a position salary is allocated appropriately and not double-funded in more than one program. Positions that are double funded are subject to recovery.

Amortization/Depreciation – Page 5

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.

Invoices must be provided for these expenses to be recognized. All purchases in this category must be depreciated/amortized over a minimum of five years.

However, the number of years of depreciation/amortization may vary depending on the asset. For example, significant leasehold improvements may be amortized over the term of the lease or loan.

Supplementary Capital funded by the City through approved grants must not be included as an amortization expense. Costs for the same project, which exceeded the City funded portion, may be included.

Invoices must be provided to support any capital expenditures recorded on page 5 of the budget.

If a location is budgeting amortization costs in the budget, the Amortization Expenses spreadsheet must be completed and submitted with invoices. This spreadsheet is available as the last tab in the budget template. In situations where an agency has funding from TCS for additional program areas such as Group Child Care, the amortized expense will be analyzed as a whole amount and attributed accordingly.

Operating Budget – Page 6

Approved 2026 (Column A)

The revenue and expense amounts approved by TCS for the prior budget year are to be entered in Column A.

Actual 2026 (Column B)

The projected revenue earned, and expenses incurred for 2026 are entered by the Agency in Column B. The amounts should be based on actuals revenue and expenses from January 1 to September 30, 2026, and a reasonable estimate of the amounts for October 1 to December 31, 2026.

Budget 2027 (Column C)

The projected revenue and expenses for 2027 are to be entered by the agency in "Column C". Projected revenue should be based on the location's current City funding levels and other regular revenue sources. Please also consider any changes to public fees or expansion / reduction of service levels. Projected expenses should include salary increases, increases to operating costs related to inflation/cost-of-living, and any other planned increases to operating expenses.

Revenue

The program funding entered on page 6 should match the amount stated in the agency's Schedule 4.1 Payment for the Provisions of Special Needs Resourcing.

1999 - 2005 Pay Equity Grant

This grant should include the following four amounts: Compounded Base 1% Liability; 2003/04 1% Base Liability; Estimated 2004/05 1% Base Liability with Compounding and April – December 2005 1% Base Liability.

The total 1999 – 2005 Pay Equity Grant for an agency should match the amount per the agency's service agreement. For multi-site/multi-service agencies, the aggregated total of 1999 – 2005 Pay Equity Grant for all sites/programs should be equal to the total amount on the agency's service contract.

1999 – 2005 Pay Equity Grant should **not** be included in the amount reported on the program funding line and the amount should be equal to the total 1999 – 2005 Pay Equity Grant calculated on page 3.

Other Funding- Page 8

Other sources of revenue are captured on page 8 of the budget and are not recorded in the operating budget on page 6. The operating budget on page 6 should reflect the City funded revenue and the anticipated expenses corresponding to this revenue.

Other Budgeted Expenses- Page 6

Program Related

Include items purchased that are individually less than $5,000 such as play materials, equipment, furnishings, screening tools, and resource materials that support service provision.

Any single items purchased that exceeds $5,000 will fall under the capital expenditure category, amortization/depreciation.

Any new amortization expense is not allowable for programs located in schools as capital expenditures/leasehold improvements to school buildings are funded separately by the Board of Education.

Rent

Rent includes rental costs associated with the Every Child Belongs program office location, not including permit fees paid to the school board. A copy of the current lease must be submitted to TCS and will be retained on file. 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. If the lease agreement specifies an amount that is charged for utilities and maintenance, these costs should be reported as utilities/maintenance expense. Rent is assessed for reasonableness in

comparison to the lease and considers the utilization of the licensed capacity. A lease or lease letter must include the following:

Address on lease must correspond with the location of the program.

- Length of time of lease must be specified.
- Description of space being used for the Every Child Belongs program 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/Resource Supervisor's knowledge.
- Documents must be signed, dated and be on the letterhead of the landlord/property management company/property owner.

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 directly by the City under the School Occupancy Agreement. A copy of the invoice may be required to support the permit fees included in the budget submission.

Mortgage Carrying Costs

A copy of the current mortgage document with current mortgage carrying costs must be submitted to Children's Services and will be retained on file. The mortgage document must specify the carrying costs for the mortgage. Interest charged on the mortgage is recognized, but not the principal portion of the loan.

Agencies must provide a certified market value assessment to confirm the reasonableness of rent expense if the Every Child Belongs agency pays rent to a related party that owns the building in which the program is located.

Utilities/Maintenance

Include costs for utilities and maintenance and for the repair and upkeep of the property related to the Every Child Belongs program.

Property Taxes

Include costs applied to the Every Child Belongs program. If property taxes are incorporated into your rental agreement and monthly rent expense, do not enter property taxes separately on this line.

Insurance

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

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 as an additional insured.

As insurance coverage is renewed, a copy of the updated certificate of insurance must be submitted. Agencies are now able to upload their Certificate of Insurance using the new document upload feature in the Online Services portal. Prior to starting, please review the guide and video available under Tips, Tricks & Help on the right of the Financial Home page of the Online Services portal.

Cleaning & Housekeeping Expenses

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

Office Related Expenses

Include items purchased for office use that are less than $5,000 such as advertising, telephone, internet, data, computer, software, printing/photocopying expenses, office supplies, bank charges, and business taxes. Any office related items greater than $5,000 should be reported under the capital expenditure category, Amortization/Depreciation.

Professional Fees

Includes audit fees.

Legal Fees

Includes all legal costs related to the operation of the Every Child Belongs program.

Training and Development

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

Business Travel

Include costs for business travel for agency Every Child Belongs program supervisor/manager to attend meetings, workshops and complete child care visits with staff. The maximum allowable is $1,500.

Staff Mileage

Include costs for meterage/parking for providing consultation services. The maximum rate to be used to determine allowable costs is the City's approved kilometre allowance, which is currently-.73 cents per kilometre.

Contracted Services - Page 6

Specialized contract services include services provided under contract such as occupational therapist, behaviour specialist, psychologist, or psychiatrist. These costs should be included under Contracted Services on page 6, **not** under contracted administration on page 3.

Other Costs

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

The Funding Reconciliation Guidelines provide a list of additional expenses not allowable in Every Child Belongs budgets.

Contracted Service Targets – Page 7

To assist in service planning, Children's Services requires agencies to provide the following information on activities offered in the community.

Staffing

Total Number of FTEs

- All full-time equivalents that are funded by the City of Toronto who directly and indirectly support the provision of Every Child Belongs services to licensed child care and EarlyON programs including Resource Consultation staff, specialists, administration, supervisors etc.
- Reporting: Data is reported **twice a year**.

FTEs Providing Consultation

- Only those FTEs that are funded by the City of Toronto who directly support the provision of Every Child Belongs services to licence child care and EarlyON programs i.e., Resource Consultation Staff.
- Reporting: Data is reported **twice a year**.

FTEs Providing Other Funded Services

- Full-time equivalents that provide other services such as behaviour, registered nurse, or occupational therapy consultation.
- Reporting: Data is reported **twice a year**.

Consultation Service

Agencies only reports service targets for services they are funded to deliver.

Number of Children Served through Individual Consultation

*Base target of thirty-two (32) children per Consultation FTE

- Consists of the number of children for whom there is a written consent, a file is opened for the purpose of: Every Child Belongs, individual consultation and/or service navigation while in or awaiting placement in a licensed child care program.

  Reporting: Cumulative service data is reported/verified **twice a year** resulting in total number served at calendar year end. Children are recorded only once in a calendar year.
- In response to Provincial Service Target requirements, the total number of children served must be further broken down and reported/verified **twice a year** in the following age groupings:

Program Offerings	Ages
Infants	0 to 1 year 6 months
Toddlers	1 year 7 months to 2 years 6 months
Pre-school	2 years 7 months to 3 years 11months
Junior Kindergarten	4 years to 4 years 11 months
Senior Kindergarten	5 years to 5 years 11 months)
School Age	6 Years to 12 years 11 months
School Age +	13 years and above

Number of Program Consultations

- Base target of five (5) per Consultation FTE
- Consultations to the child care or EarlyON program that relate to a specific program goal or identified program need, as requested.

- Reporting: Cumulative service data is reported/verified twice a year resulting in total number of Program Consultations at calendar year end.

Number of Workshops

- Base target of six (6) per Consultation FTE
- Formal training delivered or facilitated by Every Child Belongs staff that are scheduled for a target audience of child care staff, EarlyON staff, home child care visitors or providers, families, other adults or a combination of adults and children.
- Reporting: Cumulative service data is reported/verified **twice a year** resulting in total workshops delivered at calendar year end.

Number of Workshop Participants

- Base target of sixty (60) per Consultation FTE
- Total number of individuals who attend Every Child Belongs workshops delivered by your agency (see workshop definition)
- Reporting: Cumulative service data is reported/verified **twice a year** resulting in the total number of participants at calendar year end.

Number of Children Served Though Other Funded Services

- Children who are served through other funded services (only applies to select agencies).
- Reporting: Cumulative service data is reported **twice a year**.

Number of Children Served Through Specialized Consultation Services

Children who have received Specialized Consultation from an Occupational Therapist, Behaviour specialist, Psychologist/Psychiatrist, Registered Nurse or Indigenous-Focused Resource Consultation staff who is funded by the City of Toronto through the Every Child Belongs budget (only applies to agencies funded to deliver the consultation service).

Reporting: Cumulative service data is reported/verified **twice a year**.

Number of Children Registered in Specialized Nursery Child Care Programs

- Number of children enrolled in programs offered by select specialized nursery programs (only applies to select agencies).
- Reporting: Data reported **twice a year** according to Operating enrolment.

Note: Actual service data including total gross service provider costs must also be reported to the City **twice a year**.

Other Funding Information – Page 8

Agencies who receive funding from other sources, to provide services beyond the core services funded by TCS, should list the funding amount and source on page 8. This data is provided for information purposes only and is not subject to approval by the Resource Supervisor/Consultant.

Agencies are required to include all federal or provincial revenue types received within the "Other Funding" tab. This information will be recorded in Column B under Reported Actuals for 2024.

Program Funding Level

TCS cannot increase the program funding paid to any service provider without City Council approval. However, TCS may lower funding levels based on results of budget analysis and/or contracted service targets not being met. In these cases, the agency is advised in writing and is sent a revised Schedule, listing the revised service targets and program funding level.

Surplus (Deficit)

The surplus (deficit) line allows agencies to report any planned over or under expenditure for 2027. When completing the 2027 budget the surplus (deficit) line should be used by agencies to balance budgeted expenditures against anticipated revenues.

If the agency's actual performance for the year resulted in a deficit (even though a surplus is budgeted), there should be a clear reason given for the deficit. A well-thought-out, realistic business plan that identifies how the deficit will be addressed within the following year should be submitted along with the audited financial statement.

Approval of Budget by the Board of Directors and Budget Submission Deadline

The budget must be approved by the Board of Directors and signed by a Signing Officer of the Board before it is submitted to Children's Services, certifying the accuracy of the information provided in the budget.

The excel version and signed PDF of the 2027 budget forms, as well as all required supporting documents will be sent **via email** to the Every Child Belongs Unit Program Manager. Please note that original copies are not required to be sent via mail.

Nancy.hendy@toronto.ca

This deadline must be met to be in compliance with the Service Agreement and to determine the funding amount for 2027.

The deadline for submission is **November 30, 2026**.

Please retain a copy of the budget at the agency for your files.

If you have any questions about the budget, contact the Resource Supervisor/Consultant for your ECB budget.

Service Agreement Responsibilities

The City enters into Service Agreements with agencies who provide a range of services to children with extra support needs, including children with behavioural, physical, and/or developmental disabilities or delays. These agencies provide service and support to children with extra support needs and/or provide support and training to staff, parents, and volunteers in licensed child care and home child care programs, to support and increase opportunities for inclusion of children with extra supports needs.

The agency may use the funding to purchase the services of specialized staff to support children with extra support needs in child care or to purchase specialized toys and equipment to support the program plan of an individual child with extra support needs.

Service providers are required to submit various reports/documents etc. to TCS each year. For information on the submission deadlines please refer to the **2027 Business Cycle** which is available on the Contract & Financial Information web page.

Funding Reconciliation Guidelines

In accordance with City policies and applicable Provincial guidelines, all programs must provide Children's Services with audited financial statements within four months of the agency's fiscal year end if they receive $20,000 or more in Every Child Belongs funding within a calendar year, any combination of Every Child Belongs funding and 1999 – 2005 Pay Equity Grant, totaling $20,000 or more.

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For more information related to the required format of the audited financial statements please review the Funding Reconciliation Guidelines, which is available at 'Early Learning & Child Care Partners - Contract & Financial Information' web page.

Sanctions and Penalties

In order for the City to effectively maintain our financial reporting obligations, it is imperative that agencies comply with business cycle timelines. Agencies who fail to submit required financial statements, 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
- Payments suspended until issue is resolved
- Further sanctions including, but not limited to termination of the Service Agreement between the City of Toronto and the Agency, the recovery of funds, and no consideration for expansion of locations or service levels

Other Requirements

Agencies may accumulate a surplus not exceeding three months of average operating expenses in order to meet unforeseen contingencies. Any agency surplus presented in the audited financial statements may not be accumulated using Every Child Belongs funds.

- When an agency has incurred a deficit, Children's TCS will review the audited financial statements during the audit analysis and if necessary, will request a business plan. TCS will analyze the impact on financial viability and consider the materiality of the deficit as well as changes over the prior year. The business plan should be realistic and identify how the deficit will be addressed in the following year.

Other Funding Requirements

Governance

- Agencies are required to maintain a current Form 1 – Ontario Corporation Schedule A, filed with the Ministry of Government Services. Please note that Children's Services may request agencies to provide a current copy of the Form 1 as a part of the agency review processes.
- The list of Board Members, Signing Officers, and other agency contacts must be updated/ reviewed annually and kept current.
- Non-profit agencies shall submit a copy of the Annual General Meeting (AGM) Minutes each year. The minutes shall include the approval of previous year’s AGM minutes, approval or availability of previous years audited financial statements, election of the Board of Directors and appointment of the auditor.

- Two Signing Officers are required for cheque signing purposes in a non-profit agency.

Documentation

- Several supporting documents (i.e., insurance, salary scale, staffing changes, pay equity plan, cost of utilities, etc.) must be submitted with the annual budget in order to determine funding levels for the year including current lease agreements and collective agreements.
- These documents are reviewed to assess the reasonableness of the nature, type, and amount of expenses incurred by the Every Child Belongs program.
- If these are not available at the time of submission, please inform the Resource Supervisor/Consultant of the expected submission date. Delays in submission of the required documentation may delay the approval of 2027 funding allocations.
- 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 Agreement and for seven years after the expiry or termination of the Agreement.
- A Semi-Annual Year to Date Report must be submitted twice a year, usually by the third or fourth week after the half-year ended and are used to assist with the reporting and budget processes. When the variance is more than 10%, a written explanation of the variance is required. Please refer to "Every Child Belongs 2027 Year to Date (YTD) Reporting Guidelines". The guidelines are provided by Children's Services to Every Child Belongs service agencies.

Overpayment and Recovery

The agency must inform their Resource Supervisor/Consultant immediately of any overpayments made by the City and these funds should be returned to the City within a pre-arranged period.

TCS may also determine that a recovery is required through the following:

- T4 analysis;
- Audited financial statement analysis;
- Transactions not funded by the City;
- Underspent funding related to Every Child Belongs programs;
- Funding spent on expense not related to ECB programs.

A repayment plan is negotiable on an individual basis, which considers timely repayment as well as the agency's ability to pay. When an agency receives a management letter from an LPA, the agency is

required to submit a copy of the management letter and a copy of management's written response to the LPA.

A management letter is a letter issued by the auditor to the Board of Directors. It is provided after the audit has been completed. The purpose of the letter is to identify any weaknesses in the agency's internal controls that were identified during the course of the audit.