

**Funding Policies and Procedures: Child Care Centres**

- Operating grants are provided annually to child care centres and are subject to budget allocations determined by the government for the fiscal year April 1 – March 31.
- To receive the operating grant, the **Centre Annual Operating Budget** and Board Meeting Minutes must be submitted. Information to assist you in completing your budget is provided in the **Annual Budget Guidelines**.
- Operating grants are issued in equal installments four times per year (April, July, October and January) to eligible child care centres meeting the Early Learning and Child Care Division’s financial reporting and accounting requirements.
- Maximum annual grants are based on the type of care and the number of funded licensed spaces. The total operating grant may be adjusted based on average usage plus 10 or 20 per cent.
- To calculate utilization, the Early Learning and Child Care Division assesses the daily attendance and absent days of all children reported by the centre on thirteen consecutive **Facility Reports** based on the centre’s fiscal year.
- For example, on a per reporting period basis, if the centre is licensed and funded for 32 spaces and open 20 days in that reporting period, the maximum number of days available is 32 spaces x 20 days = 640 maximum days.
  - If the total attendance and absent days of all children on the report add up to 640, the centre is assessed at 100% usage of spaces.
  - If the total days add up to 320, the centre is assessed at 50% usage of spaces.
- All centres of 40 or fewer spaces will receive 100% of the operating grant if usage is 80% or greater. If usage is below 80%, a 20% leeway will be added to the calculated usage to determine the level of funding. All centres of 41 or more spaces will receive 100% of the operating grant if usage is 86% or greater. If usage is below 86%, a 10% leeway will be added on to the calculated usage.

<b>Maximum Annual Operating Grant Rates for Centres Annual Amount per Approved Funded Space - Effective July 1, 2023</b>					
Space Type	Infant	Preschool	Nursery School (1 to 5 sessions per week)	Nursery School for each additional session up to 10 per week)	School Age
<b>Amount</b>	\$15,267	\$6,090	\$1,778	\$356	\$2,669

- The Board of Directors is responsible for the management and administration of the centre, including approval of the budget.
- The Early Learning and Child Care Division will contact the board’s budget contact representative if there are any questions or suggested changes to the budget. The

board representative is responsible for ensuring that the Board of Directors is informed and agrees with any changes. The board representative will advise the Early Learning and Child Care Division if any large expenditure (i.e. over \$5,000) not previously reflected in the budget is proposed.

- Operating surpluses may be retained by the centre for future program requirements. Where a deficit is expected, the board should review the budget and consider how revenues could be increased or expenses decreased. The Early Learning and Child Care Division is not responsible for a centre’s operating deficit.
- The board must ensure that there are adequate controls in place to protect the centre’s assets. For example, policies should be established regarding the purchase of supplies, the payment of travel costs and mileage, collecting late or bad accounts, cheque signing, etc.
  - Items of a personal nature may not be purchased. The cost of board and annual meetings should be kept minimal.
- Financial reporting to the Early Learning and Child Care Division is a condition of receiving grants. Financial reports are expected by the due date unless prior approval for an extension has been received; reports may be submitted prior to the due date. Monthly Operating Statements and Annual General Meeting minutes must be available for review upon request.

**FINANCIAL REPORTING TIMETABLE - CHILD CARE CENTRES**

Financial Reports	FINANCIAL REPORT DUE DATES BY FISCAL YEAR END				
	MARCH 31	JUNE 30	AUGUST 31	SEPTEMBER 30	DECEMBER 31
<b>Centre Annual Operating Budget</b>	April 30	July 31	September 30	October 31	January 31
<b>Declaration and Board Meeting Minutes</b>	April 30	July 31	September 30	October 31	January 31
<b>Audited Financial Statements with Management Report</b>	August 31	November 30	January 31	February 28	May 31

- The Audited Financial Statements must be audited in accordance with Generally Accepted Auditing Standards by a Chartered Accountant, Certified General Accountant or Certified Management Accountant independent of the child care centre (i.e. not involved in the operation of the centre).
- A set of Audit Guidelines are available to be provided to the auditor.

## CONFLICT OF INTEREST GUIDELINES

- Members of the Board of Directors and employees of a child care centre are responsible for disclosure of any situation or matter to the chairperson of the Board or other designated officer where the member or employee has an actual or perceived conflict of interest or the potential for a conflict of interest.
- A “conflict of interest” is any situation in which a Board member or employee of a child care centre has an employment, business or personal interest which results or appears to result in an improper material interest or an advantage by virtue of the person’s position. A material interest includes any matter or situation where a Board member or employee has a direct or indirect financial or other interest beyond the interest of an ordinary citizen.
  - Members of the Board of Directors or employees of a child care centre shall not engage directly or indirectly in any personal business transaction or private arrangement for personal profit or benefit which they gain by reason of their position with the child care centre.
  - Members of the Board of Directors or employees of a child care centre shall not have direct or indirect personal business or financial activities which conflict with their duties and responsibilities in any way related to the child care centre.
  - Where a member of the Board of Directors or employee of the child care centre is in an actual, potential or perceived conflict of interest situation, that member or employee must immediately remove themselves from any decision-making role whether directly or indirectly with respect to the particular matter that gave rise to the conflict situation.
  - In order that their honesty and impartiality may be beyond doubt, members of the Board of Directors or employees of the child care centre should not place themselves in a position where they are under obligation to any persons who might benefit from special considerations or favours on their part or seek in any way to gain special treatment from them.
- Conflict of interest declarations should be filed annually at a minimum or updated immediately where:
  - an actual, potential or perceived conflict situation arises where none existed previously; or
  - a change occurs which alters the nature or degree of the conflict, subsequent to a declaration being made.