



PROVINCE OF MANITOBA

DEPARTMENT OF FAMILIES

FINANCIAL REPORTING REQUIREMENTS (FRR)

www.gov.mb.ca/fs/about/pubs/frr.pdf

TABLE OF CONTENTS

1. Introduction	3
2. Financial Reporting Requirements.....	4
3. Service Provider Identifying Information.....	6
4. Annual Operating Budget	9
5. Interim Financial Reporting	10
6. Audited Financial Statements	12
7. Department of Families Deficit/Surplus Policy	15
8. Management Letter	19
9. Compensation Disclosure	20
10. Staffing Report	21
11. Annual Report/Annual General Meeting Minutes	23
APPENDIX 'A'	24

1. INTRODUCTION

A large proportion of the budget allocated to the Department of Families is paid to external Service Providers. These external Service Providers therefore share the accountability requirements placed on the Department of Families for the use of public funds.

Accordingly, all Service Providers who receive ongoing funding from the Department of Families are requested to provide information regarding their organization. The information is required by the Department to ensure that funds are being used for the purpose intended and to monitor the programs provided by the various Service Providers.

The following requirements form the standard basis of financial reporting for all Service Providers. Any variations from these reporting requirements will require a waiver from the Department, signed by the Assistant Deputy Minister of Families – Finance and Administration.

Service Providers receiving funding for the first time, Service Providers receiving funding for a new purpose, or those Service Providers experiencing financial difficulties may be asked to provide more frequent or more detailed reports at the request of the Department.

For requirements related to service based reporting, please refer to the Service Purchase Agreement.

For inquiries concerning any of the requirements or the reporting format, please contact:

Agency Accountability and Support Unit
Manitoba Families
Administration and Finance Division
3rd Floor – 777 Portage Avenue
Winnipeg, MB R3G 0N3
Ph: (204) 945-7288
Email: aasu@gov.mb.ca

2. FINANCIAL REPORTING REQUIREMENTS

2.1 - Reporting Requirements under the Service Purchase Agreement (SPA)

Section 7.00 (Reporting Requirements) of the Service Purchase Agreement requires Service Providers to provide written reports to Manitoba in accordance with these Financial Reporting Requirements. If a Service Provider fails to comply with Section 7.00 of the Service Purchase Agreement, that Service Provider will be in breach or default under the Service Purchase Agreement and Manitoba may exercise its rights and remedies under Section 16.00 (Termination of Agreement or of Services) of the Service Purchase Agreement or otherwise.

SPA - SECTION 7.00 - REPORTING REQUIREMENTS

7.01 The Service Provider shall provide written reports to Manitoba in accordance with the Financial Reporting Requirements by the dates specified therein. The Financial Reporting Requirements are posted at www.gov.mb.ca/fs/about/pubs/frr.pdf. Manitoba agrees to notify the Service Provider of any changes in the Financial Reporting Requirements.

7.02 For the purpose of this reporting section, in reporting on funds received to deliver the Services described in the Schedules, the Service Provider shall report on all monies received by the Service Provider under the provisions of this Agreement as well as any other monies received by the Service Provider from any other sources.

7.03 The Service Provider is required to provide all other Program specific reports specified in the Schedules and summarized in Appendix 4.

SPA – SECTION 16.00 – TERMINATION OF AGREEMENT OR OF SERVICES

16.02 The Service Provider is in breach of or in default under this Agreement if at any time:

- (f) Manitoba is reasonably of the opinion that:
 - (i) the Service Provider is not carrying out the Services in accordance with the terms and conditions of this Agreement; or
 - (ii) the Service Provider has failed to comply with, or is about to fail to comply with, any of its obligations or undertakings under this Agreement;

16.03 If the Service Provider is in breach or default under this Agreement, in addition to any other remedies available to Manitoba at law, Manitoba may do or require one or more of the following:

- (c) if the breach or default relates to a general provision of this Agreement and cannot be tied to a specific amount due to the Service Provider, then Manitoba may suspend, withhold or reduce any payment due to the Service Provider under this Agreement until the Service Provider has remedied the breach or default to the satisfaction of Manitoba;

2.2 Financial Reporting Requirements Schedule

FRR SECTION	REPORTING REQUIREMENT	DUE DATE
3	Service Provider Identifying Information	-at signing of new SPA -immediately upon changes to data contained in report
4	Budget	April 1
5	Interim Reporting -Second Quarter -Fourth Quarter	2nd Qtr.- Upon Request 4th Qtr. - April 30
6	Audited Financial Statements	September 30
7	Department of Families Surplus (Deficit) Declaration	September 30
8	Management Letter	September 30
9	Compensation Disclosure	Within six months of year-end or calendar year as applicable
10	Staffing Report - Budget - Final	Budget -Upon Request Final - September 30
11	Annual Report or Annual General Meeting Minutes	Within six months of year-end.

Note: - This schedule is prepared assuming a Service Provider has a March 31 year-end. Other year-ends should be adjusted accordingly.

- **“Upon Request” - Service provider is responsible to complete, maintain and make available this report, upon request from the Department.**

3. SERVICE PROVIDER IDENTIFYING INFORMATION

To support effective communication between the Service Provider and the Department, the following identifying information shall be submitted:

3.1 - Annual Filing Requirements:

The following information shall be provided at the time of engagement of a new Service Provider. Thereafter, the Service Provider is responsible to notify AASU immediately, of any changes to the required data to ensure accuracy of below requirements:

Note: Items 3.1(g) (ii) and 3.1(h) are required annually upon expiry.

- 3.1(a) Legal name of Service Provider;
- 3.1(b) Operating name(s) of Service Provider (if different from legal name);
- 3.1(c) Mailing address of Service Provider;
- 3.1(d) Telephone number(s);
- 3.1(e) Fax number(s); and Service Provider Email address
- 3.1(f) List operational locations including the name, address and telephone number of all locations;
- 3.1(g) Corporate Status of Service Provider:
 - (i) State whether the Service Provider is incorporated;
 - (ii) If incorporated, provide copy of current Annual Return;
 - (iii) State whether the Service Provider is a for profit or a not-for profit organization;
 - (iv) State whether the Service Provider is a branch or affiliate of a larger organization. If so, provide the name of the organization;
- 3.1(h) Copy of current insurance coverage, including liability insurance;
- 3.1(i) Service Provider's fiscal year-end;
- 3.1(j) Collective Bargaining Agreements;
 - (i) State whether any of the Service Provider's employees are members of a labour union.

If so, please provide the following information:

- Name of the union;
- Employee group covered by union contract;
- Number of employees covered by contract; and
- Expiry date of current contract.

3.1(k) Board Related Information;

(i) Provide the following information for each board member:

- Name;
- Position held on board;
- Background and qualifications; and
- Indicate the position held on any board subcommittees
- Signed copy of Conflict of Interest Declaration

(ii) Provide the name, phone number and e-mail address of the board chairperson;

(iii) Indicate the frequency of board meetings held during the fiscal year;

(iv) Indicate the frequency of audit committee meetings held during the fiscal year;

(v) Date of the board's annual general meeting;

3.1(l) Staff;

Provide the following contact information for each senior staff member:

- Name;
- Title;
- Office phone number; and
- Office email address.

3.1(m) The Service Provider's Mission and/or Vision Statements;

3.1(n) Programs;

List all programs provided by the organization and the primary funding source(s) related to those programs.

3.1(o) Operational Plan (pertaining to both short and long-term);

The Service Provider's short and long-term operational plans regarding programs and services should be consistent with the budget which is the financial plan for the year.

Consideration should be given to any expansion or reduction of programs and any planned capital acquisitions.

3.1(p) Any changes to the constitution and by-laws made during the year.

3.2 Supplementary Information

The following information is to be maintained by the Service Provider and made available upon request from the Department:

- 3.2(a) Constitution and By-Laws;
- 3.2(b) Brief history of organization;
- 3.2(c) Current organizational chart;
- 3.2(d) Policy and procedures manuals (e.g. program, financial, personnel, conflict of interest, etc.);
- 3.2(e) Valid licenses/permits;
- 3.2(f) Copy of collective bargaining agreement(s);
- 3.2(g) Copy of incorporation documents;
- 3.2(h) Latest Registered Charity Information Return (Form T3010A);
- 3.2(i) Any other information as requested by the Department as provided for under section 4(2) of The Child and Family Services Act, section 27(2) of The Child and Family Services Authorities Act, section 10(2) of the Vulnerable Persons Living with a Mental Disability Act, section 14(2) of the Social Services Administration Act.

4. ANNUAL OPERATING BUDGET

4.1 Service Providers in receipt of funds from the Department of Families shall submit an annual operating budget for the entire corporate operation. This consists of a consolidated budget, a budget for each cost centre and a budget for the administrative cost centre.

4.2 One copy of the final budget shall be submitted to the Department by April 1st.

For purposes of estimating provincial revenue sources, if notifications of funding changes have not been communicated to the Service Providers by that date, revenues should be estimated based on the current fiscal year level adjusted, for any known circumstances, which would alter that funding level in the upcoming year.

For purposes of estimating operating and administrative costs, the budget for the upcoming year should be based upon current year actual and projected costs to March 31st. This calculation should be adjusted for anticipated changes in expenditure patterns expected to occur in the upcoming budget year.

Any changes to budgeted revenue or expenditure amounts occurring subsequent to budget submission should be clearly identified and explained in mid-year and year-end interim financial reports.

4.3 Annual operating budgets should reflect a balanced position.

4.4 Budgets shall be presented using, at minimum; the Department's specified Chart of Accounts for departmental programs. Budgets, interim financial statements and audited financial statements shall be prepared using the same Chart of Accounts.

4.5 Budgets shall be presented in the following specified format:

- a) Budget Current Year
- b) Proposed Budget
- c) Variance (b-a)
- d) Explanation of significant variances as calculated in c). Significant variances are defined in Appendix A.

4.6 A Staffing Report shall be submitted upon request from the Department, and reconcile to the budget. See page 21 for details.

4.7 Operating Budget shall be signed by the Board Chair indicating board approval.

5. INTERIM FINANCIAL REPORTING

5.1. Service Providers in receipt of funds from the Department of Families shall submit Second Quarter and Fourth Quarter Financial Reports for the entire corporate operation. Certain Service Providers may be exempt from this requirement based on funding arrangements; conversely more frequent reporting may be requested of specific Service Providers.

5.2 Submission Dates: Second Quarter - Upon Request from the Department
Fourth Quarter - April 30th

5.3 The Interim Financial Reporting Requirement is not intended to limit in any way the specific internal reporting requirements of a Service Provider.

5.4 (1) The Second quarter interim financial report shall include the following:

a) Balance Sheet

b) Consolidated Statement of Operations (Revenue and Expense), and Statement of Operations and FTE's (full time equivalent positions) for each cost centre showing:

- (i) Budget for the year as filed with the Department per Section 4.
- (ii) Year-to-date actual;
- (iii) Projected results to year-end;
- (iv) Total year-to-date actual plus projected results to year-end (ii+iii);
- (v) Variance to budget (iv-i); and
- (vi) Explanation of significant variances calculated in (v). Significant variances are defined in Appendix A

(2) The Fourth quarter interim report shall include the following:

a) Balance Sheet

b) Consolidated Statement of Operations (Revenue and Expense), and Statement of Operations and FTE's (full time equivalent positions) for each cost centre.

5.5 The Statement of Operations shall be prepared using, at minimum, the Department's specified format and Chart of Accounts for departmental programs. Budgets, interim financial statements and audited financial statements shall be prepared using the same Chart of Accounts.

5.6 All interim financial statements shall be prepared using the accrual method of accounting.

5.7 All expenditures and revenue shall be shown gross.

5.8 Adjustments applicable to prior years' operations shall be reflected in the surplus/deficit account and not on the Statement of Operations for the current year.

5.9 The surplus/deficit account shall not be charged or credited with items that apply to the current year. Such items should be taken into account in determining the current year's net operating position.

5.10 Interim Financial Reports shall be signed by the Board Chair indicating board approval.

6. AUDITED FINANCIAL STATEMENTS

6.1 General Audit Requirements

6.1(a) All Service Providers in receipt of funds from the Department of Families are required to submit annual audited financial statements. The audit shall be performed by an independent, qualified, external auditor and shall be signed by the Board Chairperson.

A **qualified auditor** is defined as a member in good standing of an institute or association of accountants incorporated under an Act of the legislature of a Canadian province.

6.1(b) Agencies' financial statements shall be prepared in accordance with Generally Accepted Accounting Principles.

6.1(c) The Department of Families requires full disclosure of the total corporate operation.

6.1(d) One copy of the audited financial statements shall be submitted within six months of the Service Provider's fiscal year-end.

6.1(e) Copies of management reports, letters, comments and suggestions to the Service Provider from the auditor shall be submitted with the audited financial statements. See Section 8 for requirements regarding the management letter.

6.1(f) If the auditor has attached an opinion other than the "Standard Report" to the financial statements, the Service Provider shall outline its plans to address the concerns, including the timelines for actions.

Circumstances that would lead the auditor to attach a reservation of opinion or a non-standard report include:

- When the auditor forms a positive opinion on the financial statements as a whole, but qualifies that opinion with respect to a departure from generally accepted accounting principles (GAAP) or a limitation in the scope of his examination. Known as a qualified opinion;
- When the auditor forms an opinion that the financial statements are not presented fairly in accordance with generally accepted accounting principles (GAAP). Known as an adverse opinion.
- When the auditor is unable to form an opinion on the financial statements because of a limitation in the scope of his examination. Known as a denial of opinion.

6.1(g) A copy of this Reporting Requirement shall be provided to the Service Provider's accountant and to the external auditor by the Service Provider. Confirmations of provincial revenue funded to the Service Provider will be provided by the Department upon request.

6.1(h) The Financial Reporting Requirements are not intended to limit in any way the professional judgment of the external auditor.

6.1(i) A Staffing Report shall be submitted with, and reconcile to the audited financial statements. See page 21 for details.

6.2 Specific Audit Requirements

6.2(a) Revenue and Expenses

- (i) Statements of revenue and expense for each cost centre shall be presented using, at minimum, the Department's specified Chart of Accounts for departmental programs. Budgets, interim financial statements and audited financial statements shall be prepared using the same Chart of Accounts.
- (ii) Supplementary Schedules for each cost centre shall be provided. These schedules may be unaudited.
- (iii) A reconciliation of Department of Families Revenue Receipts to Departmental Revenue as per Audited Financial Statements shall be provided. This reconciliation shall form part of the Notes to the Financial Statements or be provided as a supplementary audited schedule.
- (iv) Revenues shall be clearly identified as to source.
- (v) The use of miscellaneous accounts for revenue and expense items shall be kept to a minimum.

6.2(b) Accounts Receivable and Payable

With respect to Accounts Receivable and Payable, financial statements shall not show a Service Provider's deficit as an accounts receivable from the Department of Families or a surplus as an accounts payable to the Department, unless the deficit payment or surplus recovery has been formally approved by the Department.

6.2(c) Depreciation /Amortization

Depreciation and amortization are recognized expenses under GAAP and should be recorded in the Service Provider's financial statements. For funding purposes, depreciation on capital assets is not recognized as an operating expense by the Department of Families. The actual cost of replacing and/or maintaining these assets in the day to day operations of the Service Provider is a recognized expense for funding purposes, as are principal and interest payments on mortgages and loans.

6.2(d) Vacation Pay Accrual

Vacation pay is a recognized expense under GAAP and should be recorded in the Service Provider's financial statements. For funding purposes, vacation pay accrual is not recognized as an operating expense by the Department of Families. Vacation pay is funded as part of the salary allotment under the funding formula.

6.2(e) Reserve Accounts

Reserve accounts shall not be established with funding provided by the Department of Families. An example of a reserve account would be a reserve for a building fund established from operating surplus generated by other than fundraising or donation revenues. Reserves are also known as internally restricted funds.

6.2(f) Restricted Funds

Externally restricted funds are created from funding restrictions imposed from outside the organization, for example donations made with conditions attached by the contributor. Internally restricted funds are set aside from within the organization itself, usually by a resolution of the Board of Directors. Internally restricted funds shall not be established from The Department of Families funding unless otherwise approved by the Department.

7. DEPARTMENT OF FAMILIES DEFICIT/SUPRLUS POLICY

In accordance with the Department of Families Deficit/Surplus Policy (Appendix 1 of the Service Purchase Agreement), Service Providers are required to complete and submit a Department of Families Funding Surplus Declaration.

7.1 Department of Families Funding Surplus Declaration

Funding Surplus Declaration (To be submitted to the Department of Families with the Audited Financial Statements) Service Provider Name _____ Fiscal Year Ending _____		
Service Providers are required to submit Audited Financial Statements in the manner prescribed in the Financial Reporting Requirements (FRR). A copy of the FRR document may be found online at: www.gov.mb.ca/fs/about/pubs/frr.pdf .		
FINANCIAL INFORMATION AS DECLARED ON THE AUDITED FINANCIAL STATEMENTS		
Total Funding from the Department of Families (DoF Funding)	\$	Line A
Total Expenses applied against DoF Funding	\$	Line B
DoF Surplus Line A minus Line B (if negative, enter "0")	\$	Line C
2% of DoF Funding (Line A x 0.02)	\$	Line D
<p>** Retainable Surplus – is the calculated amount of DoF Surplus that is permitted to be retained by the Service Provider without a Proposal. Additional details below.</p> <p>** Excess Amount – is the amount by which the DoF Surplus exceeds the calculated Retainable Surplus. The Excess Amount is payable to DoF. If the Service Provider wishes to retain all or a portion of the Excess Amount a Proposal is required. Additional details below.</p> <p><u>RETAINABLE SURPLUS CALCULATION:</u></p> <p>➤ Line C equal to or less than <u>\$10,000</u></p> <p style="margin-left: 20px;">1. Where C is equal to or less than <u>\$10,000</u>, C will be the Retainable Surplus.</p> <p>➤ Line C greater than <u>\$10,000</u> and Line D less than <u>\$10,000</u></p> <p style="margin-left: 20px;">2. Where C is greater than <u>\$10,000</u> and D is lower than <u>\$10,000</u>, the Retainable Surplus will be <u>\$10,000</u>. A Proposal will be required to retain any Excess Amount from C that is over and above <u>\$10,000</u>.</p> <p>➤ Both Line C and Line D fall within <u>\$10,000 - \$400,000</u></p> <p style="margin-left: 20px;">3. Where D and C are within <u>\$10,000 - \$400,000</u>, the Retainable Surplus will be the lesser of D and C.</p> <p style="margin-left: 40px;">a) If C is lower than D, C is the Retainable Surplus.</p> <p style="margin-left: 40px;">b) If D is the lesser amount, C minus D is the Excess Amount. A Proposal will be required to retain any Excess Amount.</p>		

▶ **Line C or Line D exceeds \$400,000**

4. Where either, but not both, C or D exceed \$400,000, the **Retainable Surplus** is the lesser of C or D.
- a) If C is lower than D, C is the **Retainable Surplus**.
 - b) If D is lower than C, the amount of C minus D is the **Excess Amount**. A Proposal will be required to retain any **Excess Amount**.

▶ **Both Line C and Line D exceed \$400,000**

5. Where C and D exceed \$400,000, the **Retainable Surplus** is \$400,000. Any amount above \$400,000 from C is the **Excess Amount**. A Proposal will be required to retain any **Excess Amount**.

In accordance with the Department of Families Deficit/Surplus Policy, the Service Provider will be permitted to retain the Retainable Surplus, subject to and conditional upon the Retainable Surplus being used for the purposes of the Services. If requested by Manitoba, the Service Provider shall within fifteen (15) business days of such request, submit to Manitoba a written report, satisfactory to Manitoba, detailing the use of the Retainable Surplus.

The Excess Amount is deemed to be an overpayment and a debt due and owing by the Service Provider to Manitoba. On or before October 31st of the fiscal year immediately following the fiscal year reported under this Declaration, the Service Provider shall either:

- (a) repay the Excess Amount to Manitoba via cheque payable to the Minister of Finance; or
- (b) if the Service Provider wishes to retain all or a portion of the Excess Amount for the purposes of the Services or for other purposes, submit a Proposal to Retain Department of Families Funding Surplus Form (a "Proposal") to Manitoba for Manitoba's consideration. **Proposals received after October 31st will not be considered.** If the Proposal concerns only a portion of the Excess Amount, the Service Provider shall repay the balance of the Excess Amount to Manitoba via cheque payable to the Minister of Finance on or before the October 31st deadline.

Manitoba may, in its sole discretion, either approve (with or without conditions) or not approve a Proposal submitted under clause (b) above and Manitoba will notify the Service Provider in writing of its decision in this regard. If the Proposal is not approved by Manitoba or the Service Provider is not prepared to accept any conditions imposed by Manitoba, the Service Provider shall repay the Excess Amount to Manitoba (or where a portion of the Excess Amount has already been paid under clause (b) above, the balance of the Excess Amount) via cheque payable to the Minister of Finance within 30 days of notification of Manitoba's decision respecting the Proposal.

Upon termination or expiration of the Service Purchase Agreement, the amount in **Line C (DoF Surplus)**, less any amounts properly expended in accordance with the Department of Families Deficit/Surplus Policy, is deemed to be an overpayment and a debt due and owing by the Service Provider to Manitoba, payable upon written demand by Manitoba in accordance with Manitoba's instructions.

Authorized Service Provider Representative - I certify that the information submitted in this application is true and correct to the best of my knowledge.

Service Provider Representative
(please print)

Service Provider Representative
(Signature)

Position

Date

7.2 Proposal to Retain Department of Families Funding Surplus

PROPOSAL TO RETAIN DEPARTMENT OF FAMILIES FUNDING SURPLUS

Fiscal Year Ending: _____

Service Provider Name: _____

Contact Person: _____ Contact Phone Number: _____

Proposal to Retain Excess Amount	Proposal - Proposed Completion Date	Amount
<p>Please attach the following information:</p> <ol style="list-style-type: none"> 1. A detailed description of the proposed use of the Excess Amount (including the following where applicable): <ol style="list-style-type: none"> a. breakdown of proposed use – schedules/appendices or cost centres b. services outside the Service Purchase Agreement (i.e. goods and/or services) c. pilot project d. staffing (FTE/salary/benefits) e. expansion of the program 2. A summary describing what the benefit of proposed use of the Excess Amount is. (i.e. to the department/community/agency/ stakeholders) 3. A sustainability plan for proposal 4. Price cost justification - require 3 written price quotes and/or market value analysis <p>The Department may request additional information after receipt of this Proposal.</p>		\$
Total Amount of Proposal		\$
Balance of Excess Amount not covered by Proposal (payable to the Minister of Finance)		\$

In accordance with the Department of Families Deficit/Surplus Policy, the Excess Amount is deemed to be an overpayment and a debt due and owing by the Service Provider to Manitoba.

If this Proposal concerns only a portion of the Excess Amount, the Service Provider shall repay the balance of the Excess Amount to Manitoba, via cheque payable to Minister of Finance, on or before October 31st of the fiscal year immediately following the fiscal year reported under the Funding Surplus Declaration.

Manitoba may, in its sole discretion, either approve (with or without conditions) or not approve this Proposal and Manitoba will notify the Service Provider in writing of its decision.

If this Proposal is not approved by Manitoba, or the Service Provider is not prepared to accept any conditions imposed by Manitoba, the Service Provider shall repay the Excess Amount (or where a portion of the amount has already been paid, the

balance of the Excess Amount), via cheque payable to the Minister of Finance within 30 days of notification of Manitoba's decision respecting this Proposal.

Service Provider Representative (please print) Service Provider Representative (Signature) Position Date

INTERNAL – FOR DEPARTMENT USE ONLY

Amount of Excess Amount Approved for Retention by the Service Provider: _____

Approved Use of the Excess Amount: _____

Approved Completion Date: _____

Additional Conditions or Comments:

Department Representative (please print) Department Representative (Signature) Position Date

8. MANAGEMENT LETTER

8.1 Copies of all management letters, which communicate matters identified by the external auditor during the financial statement audit, shall be submitted with the audited financial statements.

8.2 When conducting Service Provider audits, auditors are asked to confirm and/or express an opinion on:

- Whether, in their opinion, the accounting procedures or systems of control employed by the Service Provider are adequate;
- Whether any irregularity or discrepancy in the administration of the Service Provider came to notice in the course of their examination;
- Whether there are any other matters which should be brought to the attention of the Department of Families; and in their report they shall make such recommendations as seem to them to be necessary regarding the proper performance of duties and keeping of records by the officers and employees or the Service Provider.

8.3 This listing is not intended to limit in any way the professional judgment of the auditor.

8.4 If no management letter is issued by the external auditor, a written acknowledgement confirming that fact is required to be provided to the Department by the external auditor.

8.5 The Service Provider shall outline its plans to address any deficiencies, including timelines for action.

9. COMPENSATION DISCLOSURE

Service Providers shall submit compensation disclosure in keeping with the Public Sector Compensation Disclosure Act. All Service Providers receiving funding from the Department of Families shall be subject to these disclosure requirements.

A brief summary of the disclosure required is as follows:

Disclosure Required of:

- compensation to, or for the benefit of, the chairperson of its board of directors or equivalent governing body, if any, if the chairperson's compensation is \$75,000 or more;
- compensation provided in the aggregate, to, or for the benefit of, its board members if any;
- compensation individually, to, or for the benefit of, each of its officers and employees whose compensation is \$75,000 or more.

The Public Sector Compensation Disclosure Act defines compensation as follows:

“Compensation” means compensation pursuant to any arrangement, including an employment contract, calculated to include the total value of all cash and non-cash salary or payments, allowances, bonuses, commissions and perquisites, including

- (a) all overtime payments, retirement or severance payments, lump sum payments and vacation pay-outs,
- (b) the value of loan or loan interest obligations that have been extinguished and the value of imputed interest benefits from loans,
- (c) long term incentive plan earnings and payouts,
- (d) the value of the benefit derived from vehicles or allowances with respect to vehicles,
- (e) the value of the benefit derived from living accommodation or any subsidy with respect to living accommodation,
- (f) payments made for exceptional benefits not provided to the majority of employees of the public sector body,
- (g) payments for memberships in recreational clubs or organizations, and
- (h) the value of any other payment or benefit that may be prescribed in the regulations.

Disclosure shall be provided within six months of the Service Provider's fiscal year-end or calendar year. The disclosure may be unaudited, unless requested by the Department of Families.

If none of the Service Provider payments meet the requirement of the Compensation Disclosure requirements a formal written acknowledgement in the form of a “Nil” report shall be provided.

10. STAFFING REPORT

A Staffing Report shall be submitted with the year-end audited financial statements. The staffing report shall be consistent with the attached form (see page 22), and should be completed for each cost centre. The statement should reconcile to the Service Provider's audited financial statements.

The budget staffing report, if requested, should reconcile to the budget information submitted by the Service Provider.

STAFFING REPORT

Salary Detail by Job Title for the Period of:
to

Service Provider:

Cost Centre (As per SPA)¹:

1	2	3	4	5		6	7		8	9	10
Job Title	Classification	Total Paid Hours	Actual Number of FTEs ³	Hourly Salary Range		Total Salary	Total Mandatory Benefits (Employer Portion)		Total Group Benefits	Total Pension	Total Salary & Benefits
	AD/MA/DS ²		Col.3 ÷ Total full-time hours per year	Minimum	Maximum	Wages Only	CPP	EI			(Cols. 6+7+8+9+10)
TOTAL:											
						TOTAL:					
ADD WORKER'S COMPENSATION FOR THE COST CENTRE:											
ADD PAYROLL TAX											
TOTAL SALARY AND BENEFITS⁴:											

Total Full-Time Hours Per Year = Full-time regular hours per week of _____ x 52 weeks per year = _____ hours.

- (1) A Staffing Report must be completed for each cost centre specified in the Service Purchase Agreement.
- (2) AD = Administrative, MA = Management, DS = Direct Service
- (3) Full Time Equivalent position (FTE)
- (4) Total salary & benefit costs must agree with figure(s) shown on the Budget or Audited Financial Statements, or be reconciled by way of Explanatory Notes.

11. ANNUAL REPORT/ANNUAL GENERAL MEETING MINUTES

An annual report shall be submitted within six months of the Service Provider's operating year-end. **If no formal report is prepared, the minutes of the annual general meeting should be submitted along with the following information:**

- 1) Comments relating the year's activities to the Service Provider's mission, which may include comments regarding organizational milestones, issues, concerns, and developments;
- 2) A report on the achievement of program and service results;
- 3) Use of volunteers (e.g. estimated numbers of volunteers and hours of service).

DEFINITIONS:

Significant Variance:

Significant Variances shall be calculated on a line item basis and will vary according to the Budgeted Gross Revenue of each Service Provider.

For Service Providers with Budgeted Gross Revenues up to **\$1,000,000** significant variances are defined as:

- greater than or equal to 10% of each revenue and expense line item and
- greater than \$1,000.

For Service Providers with Budgeted Gross Revenues between **\$1,000,001 and \$2,500,000** significant variances are defined as:

- greater than or equal to 10% of each revenue and expense line item and
- greater than \$2,500.

For Service Providers with Budgeted Gross Revenues between **\$2,500,001 and \$5,000,000**, significant variances are defined as:

- greater than or equal to 10% of each revenue and expense line item and
- greater than \$5,000.

For Service Providers with Budgeted Gross Revenues greater than **\$5,000,000**, significant variances are defined as:

- greater than or equal to 10% of each revenue and expense line item and
- greater than \$10,000.

Cost Centre:

For the purposes of FRR reporting, a cost centre represents a separate business area for capturing costs and applicable revenue (e.g. programs based on SPA schedules, specific service sites, defined operations).