



County of Simcoe

2023 General Operating Grant (GOG) Guidelines

Appendix B – Schedule B

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PURPOSE

This document outlines Minimum Eligibility and Reporting Requirements associated with Licensed Child Care Funding and supersedes all previous County of Simcoe Children Services Funding Guidelines. Unless otherwise stated, Child Care Service Providers, Agencies, Service Providers, and/or Programs, refers to Licensed Child Care and includes both Centre Based and Family Home Child Care respectively.

SERVICE CONTRACT

In order to be eligible to enter into a Service Contract with the County of Simcoe, Child Care Service Providers must be in operation for a minimum of 12 months and must maintain a “Regular” or “Regular with Conditions” License from the Ministry of Education (MEDU).

Child Care Service Providers contracted by the County of Simcoe must participate in a Quality Assessment Program. Service Providers who are repeatedly non-compliant with the *Child Care and Early Years Act* (CCEYA) and/or whose programs pose health and safety risks to children, **will not be funded**.

OVERVIEW

General Operating Grant (GOG) Funding is intended to support Child Care Program operating costs in order to reduce wait times and fees for services, stabilize service levels and improve access to high quality services for parents and children. GOG Funding may be used to address a range of overhead costs and to consequently provide Service Providers with greater ability to increase staff wages and benefits. Increased compensation supports staff retention and program stability.

Agencies will be required to determine the number of full time equivalent (FTE) staff for all full and part time positions. Full time is defined as ‘the Agency’s normal number of hours considered to be full time’, with a minimum of 35 hours per week. This will be reported on the Program Status Report, submitted by operators once per year.

GOG Funding will be calculated equitably, will reflect the relative costs associated with service provision by individual age group, and will be based on additional elements/variables common to all programs (i.e. operating capacity, hours/months of operation, etc.).

The County of Simcoe will review and recalculate GOG Funding on an annual basis to verify that programs are receiving the funds they are entitled to receive. Reviews and/or recalculations will also be completed whenever there is a reduction in program numbers or service levels that are not of a temporary or short-term nature. This assists the County of Simcoe in ensuring that funds are being utilized for their intended purpose and allows for the timely recovery and reinvestment of any surpluses.

GOG Funding will be directed solely to Child Care Programs that are licensed under the *Child Care and Early Years Act* (CCEYA). This includes Programs for children from birth to 3.8 years, Extended Day Programs for children attending Full Day Kindergarten, and Before & After School Programs for children attending elementary schools. In order to qualify for GOG funding, Service Providers must first demonstrate the ability to meet their existing minimum wage and mandatory benefits requirements without the support of GOG Funding.

General Operating Grant (GOG) Funding will not be directed to Unlicensed Child Care Programs and/or Unlicensed Recreation Programs, Special Needs Resourcing Programs, Family Resource Centres (that do not include a Licensed Child Care Program), School Board Directly Operated Extended Day Programs and/or programs that cannot demonstrate the ability to meet existing minimum wage and mandatory benefits requirements.

General Operating Grant (GOG) Funding will be issued to eligible Child Care Agencies on a monthly basis for the calendar year.

FUNDING UTILIZATION

A **minimum** of 90% of Service Providers' total GOG allocation must be used to increase base salaries of Child Care Staff (including Licensees' mandatory benefits cost to a maximum of 17.5%). The remaining 10% of the annual funding allocation may be used toward other program operating expenses (as outlined below). Licensees may choose to exceed the 90% requirement by using additional funds to increase salaries, however, no more than 10% of the annual allocation may be used for program operating expenses. If less than 90% of the annual GOG allocation, is used for salaries, the balance (up to the 90% requirement) will be recovered by the County of Simcoe.

GOG Salary Component

As indicated, a minimum of 90% of the annual allocation must be used to increase base salaries of child care staff and the associated mandatory benefits costs. GOG funding can only be used to offset salary costs over and above an Operator's existing base salary and benefit expenses, and is only available to permanent (full or part time) positions that qualify for the funding. **Priority should be given to program staff (RECE, non-RECE, Supervisor, Home Visitor, Home Child Care Provider).**

All qualifying employees should receive a reasonable and equitable portion of this funding based on the number of hours worked. Operators may determine the hourly rates of GOG funding in one of the following two ways:

- Option A: issue an equal hourly amount of GOG to all staff, for all hours worked. For example, all staff, regardless of position receive \$1.50/hour of GOG. Or;
- Option B: issue an equal hourly amount of GOG for each position for all hours worked. For example: All RECEs receive \$2.00/hour of GOG, all Non-RECEs receive \$1.00/hour etc.

If using Option B, all individuals in the same position category, must receive the same amount of GOG per hour. **GOG funding cannot be used for incentive or performance based salary increases.**

GOG funding must be distributed to eligible staff with each pay cheque or payment made. Payments may NOT be made retroactively or in the form of a “lump sum” for an extended period of time (for example monthly or quarterly payments separate from regular pay periods). In addition, all entitlements must be fully paid out to each eligible position by the final pay period of the calendar year.

When receiving the annual allocation, it is recommended that the operator determine the total eligible hours estimated to be worked during the year. This way, the operator can determine of the 90% allocation how much will be required for mandatory benefits and how much can be paid per hour for each position, for the full year. The amount of GOG each person receives, should not fluctuate throughout the year.

Operators will be required to report GOG salary spending each quarter, by reporting how much GOG each individual received per hour along with the total GOG funding received by each individual. In addition, the operator will report the amount of funding used to cover the associated mandatory benefits (cannot exceed 17.5% of the GOG funds received by the staff member). Quarterly reports are due as follows:

Quarter 1 and Quarter 2, July 30th

Quarter 3, October 30th

Quarter 4, January 15th (following calendar year)

GOG Operating Component

As indicated previously, a maximum of 10% of the annual allocation may be used to cover eligible program operating expenses. The following is a list of allowable operating expenses for which GOG Funding can be used:

- Lease and occupancy costs
- Utilities
- Administration
- Transportation for children
- Resources
- Nutrition
- Supplies
- Maintenance

Ineligible expenses include:

- Bonuses (including retiring bonuses), gifts and honoraria paid to staff, except in the case that they are provided as a retroactive wage increase that will be maintained the following year
- Debt costs including principal and interest payments related to capital loans, mortgage financing and operating loans
- Property taxes
- Fees paid on behalf of staff for membership in professional organizations (such as the College of Early Childhood Educators); and
- Any other expenditure not listed under the allowable expenses section above.

Operators will be required to submit an annual reconciliation of the operating expenses by January 15th of the following calendar year. As part of this report, operators must also submit a copy of the invoice with proof of payment for each expense covered by GOG funding.

Note: If an operator reconciles 100% of the annual GOG allocation for salary and benefit expenses, the GOG Operating Reconciliation is not required.

GOG “One-Time funding”

On occasion, additional in year funding becomes available. In such cases the municipality will determine, based on the amount of funding available and the time of year that it will be distributed, how that funding may be used. If funding is allocated as Operating Funding –the full amount of that payment may be used for operating expenses and may only be used for salaries and benefits if it is covering a projected shortfall for the operator. In such circumstances, this funding will be added to the 10% of your annual operating allocation to be reconciled once all funding used for salaries has been reconciled.

GOG “Claims Based funding”

With the inception of the Canada Wide Early Learning and Child Care (CWELCC) program and in an effort to maximize support to the entire sector, additional funding may become available on a ‘claims basis’ above and beyond any previously contracted funding allocations. When funding is allocated on a claims basis, this means that rather than equitably dividing the funding across all programs, licensees instead have an opportunity to submit a request or ‘claim’ to be considered for the available funding for a specific use. For example, a licensee may apply for additional operating funds to address an increase in their annual insurance cost that has not yet been covered by any other funding lines. In these situations, all claims submitted will be reviewed for eligibility and reasonableness. If there is insufficient funding to cover all claims submitted, funding will be provided in an equitable manner to the licensees who submitted an eligible claim.

FUNDING CONDITIONS

In addition to the criteria indicated in the Licensee Handbook, the following funding conditions also apply:

- General Operating funding may only be used for the purposes of *enhancing* staff salaries. Service providers are to ensure that General Operating funding is distributed in addition to any planned pay equity or other salary increases. Salary decreases cannot be supplemented by General Operating funding. Agencies must meet all legislation requirements under the Employment Standards Act.
- Agencies not enrolled in the CWELCC program, that receive between \$20,000 and \$75,000 in annual Funding (GOG and WEG combined) are required to submit a Financial Statement and Year-End Special Procedures Report. The Special Procedures Report must identify the amount of General Operating Grant (GOG) received and confirm the amount used to enhance staff salaries. This is required within four months of Agencies' respective year-end date.
- Agencies that are enrolled in the CWELCC program (regardless of total funding received), as well as agencies whom are not enrolled in the CWELCC program that receive more than \$75,000 in annual Funding (GOG and WEG combined) are required to submit an Audited Financial Statement and Year-End Special Procedures Report. The Audited Financial Statement must identify the total amount of funding received, and indicate that these funds were received from the County of Simcoe. The Special Procedures Report must identify the amount of General Operating Grant (GOG) received and confirm the amount used to enhance staff salaries. This is required within four months of agencies' respective year-end date.
- The County of Simcoe is responsible for investigating all complaints pertaining to use of funding by contracted Child Care Agencies. Complaints will be handled on a case by case basis.
- GOG Funding is calculated on an annual basis. Programs are required to provide the County of Simcoe with Program and Staffing information effective September of each year. This information will allow for the completion of calculations.
- Operating Capacity is defined as 'the number of children for which the program is regularly staffed or the licensed capacity, whichever is less'.
- **Agencies must immediately notify the County of Simcoe of any enrollment reductions, expansions, or program closures.**

Child Care Service Providers shall consider, receive, administer, and reconcile funding in accordance with requirements as specified within:

- Their duly executed County of Simcoe Child Care Funding Service Contract
- Funding Conditions as outlined within this document (County of Simcoe General Operating Grant Funding Guidelines)
- Licensee Handbook

- All County of Simcoe Policies, Procedures and Guidelines governing funding at the time of funding distribution.

Failure to comply with any or all of the requirements listed in this document may result in the County of Simcoe initiating recovery of the Agency's funding, in whole or in part, and/or ineligibility of the Agency to receive future funding.

CONTACT INFORMATION

All questions related to the above information and/or calculation and distribution of funding should be directed to Kristen McArthur at 705-722-3132 ext. 1728 or email Kristen.McArthur@simcoe.ca