

**Manitoulin-Sudbury District Services Board
POLICY & PROCEDURES MANUAL**

Section: F. Children's Services	Effective Date: Jan. 1, 2013
Topic: 2. General Operating Expenses	Replaces: January 2010
Subject: 2.1. General Operating Grant	
Policy No. F.2.1.	Page 1 of 4

POLICY

The Manitoulin-Sudbury DSB will administer a General Operating Grant within the discretion of the Ontario Child Care Service Management and Funding Guidelines and the established Manitoulin-Sudbury DSB policy and procedures.

The purpose of the funding is to support affordable fees for services, stabilize service levels, and to improve access to high quality early learning services for children and families. Approved non-profit child care service providers have the discretion to use the operating grant for expenses which include, but is not limited, staff wages and benefits (over mandatory requirements for minimum wage plus Mandatory Employment Related Costs (MERC's), lease and occupancy costs, utilities, administration, transportation for children, resources, nutrition, supplies, and maintenance.

Any in-year child care funding surpluses will be used to address existing general operating expense pressures throughout the Manitoulin-Sudbury DSB jurisdiction. The Manitoulin-Sudbury DSB may, in-year, move dollars in order to meet negotiated, measurable service targets, and to address other volume and caseload pressures, in accordance with the Ontario Child Care Service Management and Funding Guidelines.

PROCEDURE

General Operating Grants will be calculated based on the following:

- The annual cost attributed for each child age category will be determined based on the DSB established universal rates. The funding provided will be based on a percentage (set by DSB) of the full annual cost attributed to each age category and multiplied by the number of children in each age category. The percentage funded per age category will be determined by the DSB on an annual basis based on available funding and the ability to meet service targets.
- Initially, this support will be based on the licensed capacity of the child care centre; however, the Manitoulin-Sudbury DSB reserves the right to adjust the calculation to an operators actual child occupancy based on funding pressures and service targets.

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Policy No. F.2.1.	Page 2 of 4

- General Operating Grants may be capped when the calculation exceeds more than 20% of a providers 2012 calendar year funding. The 2012 calendar year funding amount may be frozen as a base, or the DSB may adjust the base giving consideration to future costs of operations, funding availability and ability to meet service targets.
- The capping mechanism has the following components included when determining the previous year funding: original 2013 Wage Subsidy calculation, original 2013 Wage Improvement calculation, 2013 Pay Equity allocation, 2012 Marketing allocation, 2012 Health and Safety allocation.
- The DSB may adjust or remove the cap in year based on need and funding availability. **For the 2014 calendar year, the DSB has increased the cap from 20% to 30% for all child care providers.**
- Based on pressures and available funds, the DSB may continue to consider one time funding requests for the allocation categories used to determine the 2012 cap.

Below is an example of how the Operating Grant is calculated (without cap):

% of Funding Allocated	Rate per space per age group	Age Group	# of Children	Maximum Funding
30% of (\$50*22*12) = \$13,200	\$ 3,960	Infant	4	\$ 15,840
27% of (\$40*22*12) = \$10,560	\$ 2,851	Toddler	4	\$ 11,405
27% of (\$35*22*12) = \$9,240	\$ 2,495	Pre-School	4	\$ 9,979
27% of (\$32*22*12) = \$8,448	\$ 2,281	JK/SK	4	\$ 9,124
27% of (\$32*22*12) = \$8,448	\$ 2,281	School Age	4	\$ 9,124
		Total	20	\$55,472

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Policy No. F.2.1.	Page 3 of 4

Below is an example of how the capping is determined:

2012 Calendar Year Funding	
Marketing 2012	\$ 10,000
Health and Safety 2012	\$ 10,000
Wage Subsidy 2013	\$ 10,000
Wage Improvement 2013	\$ 10,000
Total	\$ 40,000

New Funding with Cap	
Previous Funding	\$ 40,000
New Funding Calculation without cap	\$ 55,472
New Funding with Cap (previous year + 30%)	\$ 52,000

Accountability:

The Manitoulin-Sudbury DSB as an approved child care delivery agent shall:

- Monitor and reconcile with service providers all general operating grants on an annual basis;
- Reconcile service providers use of funds and recover as required;
- Meet service targets before reallocating funds to other child care programming.
- Establish and maintain a full listing of general operating expense pressures that may arise.

Service providers shall:

- In the event that an operator of a child care program sells to another, the existing general operating expense grant is to be returned to the DSB.
- Should the DSB approve a new operator that has purchased a previously approved operator, a funding adjustment shall be made if the transfer to the new operator results in an overall reduction of service capacity. If funding is available, a funding adjustment shall be made if there is an increase in service capacity.

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Policy No. F.2.1.	Page 4 of 4

Service providers that down-size a child care program shall:

- Immediately notify the DSB and the general operating expense grant may be adjusted accordingly.

Service providers shall:

- By means of a special purpose report reconcile the general operating grant against actual expenditures. The special purpose report requires a third party audit to verify that the general operating grant has been used for the purpose(s) intended. Service providers shall submit separate audited financial statements where the funding is \$20,000 or greater.

SERVICE DATA ELEMENTS

As a minimum, child care service providers are required to report the following on an annual basis.

- Audited financial statements.
- Operating budgets presented to their board or governance structure.
- Operating Budget Form supplied by the DSB.