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2005:B1

MEMORANDUM TO: Directors of Education
Secretaries of School Authorities

FROM: Kevin Kobus
Assistant Deputy Minister
Business and Finance Division

DATE: January 25, 2005

SUBJECT: Reporting Entity Project Funding

The government announced in the 2004 Budget its plans to consolidate the financial information of school boards in the Province's financial statements starting with its 2005-06 public accounts and the 2006-07 Budget.

I am pleased to inform you that transfer payment funding of \$8.85M over 3 years will be provided to school boards and school authorities to assist them in implementing processes and procedures to provide the information requested (including capital asset information) for consolidation in the Province's financial reporting entity.

As part of the accountability measures related to this funding, each school board is required to sign the attached agreement between the Ministry of Education and the school board. The agreement outlines the eligible expenditures under this project and requires the board to report through a schedule in the financial statements on how the funds have been used. Schedule I of the agreement provides an outline of the report. Eligible expenditures under this project will include audit and consulting costs, software costs, training costs and direct staff costs devoted to the project.

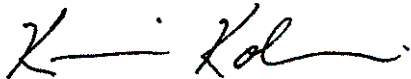
To ensure the success of this project, the ministry has established a Reporting Entity Project team to address implementation issues and to work with school boards in developing appropriate reporting mechanisms. School boards and school authorities will be advised of the status of the project over the coming months.

Please sign and return two copies of the agreement to the ministry by February 4, 2005 to the following address:

Attn: Farida Jaffer
Transfer Payment and Financial Reporting Branch
21st Floor, Mowat Block
900 Bay Street
Toronto, Ontario M7A 1L2

Once both parties sign the agreement, payment of the first instalment of the funding per schedule II of the agreement will be made to the board.

If you have any questions on the above, please contact Marion Jarrell at (416) 325-2057 or (519) 865-0044 (email: Marion.Jarrell@edu.gov.on.ca).



Kevin Kobus
Assistant Deputy Minister
Business & Finance Division

cc. Superintendents of Business