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2015: EYCC5

MEMORANDUM TO: Children's Services Managers, CMSMs/DSSABs
Children's Services Finance Leads, CMSMs/DSSABs

FROM: Marie Li
Director, Financial Analysis & Accountability Branch
Elementary/Secondary Business and Finance Division

Pam Musson
Director, Early Years Implementation Branch
Early Years Division

DATE: February 17, 2015

SUBJECT: 2015 Child Care Estimates

Further to Memorandum 2015: EYCC2, *2015 Child Care and Family Support Program Service Agreement package*, dated January 20, 2015, this memorandum provides Consolidated Municipal Service Managers (CMSMs) and District Social Services Administration Boards (DSSABs) with information on completing their 2015 Estimates (budget) submission for child care and clarification on reporting the 2015 contractual service targets. The deadline for completing your Estimates submission is **March 31, 2015**.

Included in this memorandum is information on:

- Education Finance Information System (EFIS) 2.0
- Instructions to access and submit the 2015 Estimates forms
- Late 2015 Estimates submissions
- 2015 Child Care Funding Formula Technical paper

- Clarification of Data Elements
- Summary of changes in the 2015 Estimates Forms
- Wage Enhancement Allocation Schedule
- Child Care Financial Compliance Audit

EFIS 2.0

To support reporting requirements outlined in the 2015 Ontario Child Care Service Management and Funding Guideline, the Ministry is introducing a new web-based application, **EFIS 2.0**, for all future financial reporting commencing with the 2015 Estimates. EFIS 2.0 will allow CMSMs/DSSABs to enter their data similar to EFIS 1.0. Regional training sessions were held in late January and early February to familiarize CMSM/DSSAB staff navigating EFIS 2.0.

Instructions to access and submit the 2015 Estimates forms

Instructions to complete 2015 Estimates forms are accessible through the [Financial Analysis and Accountability Branch website](#) by selecting “[EFIS 2.0 Log-in](#)” in the top left hand corner of the website. CMSMs and DSSABs are required to promote their submission to “Active” status by **March 31, 2015**.

CMSMs and DSSABs are required to forward one signed hard or scanned copy of the following sections of the active 2015 Estimates EFIS submission:

- Title Page Certificate; and,
- Schedule 3.1 (all pages of schedule 3.1 must be submitted).

Please submit all of the above required documentation to:

Manager
 Child Care Finance Unit
 Financial Analysis & Accountability Branch
 20th Floor, Mowat Block, 900 Bay Street
 Toronto, Ontario
 M7A 1L2
 Or
childcarefunding@ontario.ca

Late 2015 Estimates Submissions

In the event that Estimates submission is not received by the Ministry within 30 days after the March 31st due date, cash flow may be withheld from the CMSMs/DSSABs regular cash flow as per the late filing policy outlined in Schedule D of your 2015 Child Care and Family Support Service Agreement. Upon submission of the Estimates, the

Ministry will revert back to the normal monthly payment process and will include the total amount withheld up to that point in the monthly payment. No penalty will be imposed for submission filed within 30 days after the filing deadline.

If you are unable to submit your Estimates by March 31, 2015 due to the timing of municipal council approval, please advise your Financial Analyst. A listing of Financial Analysts has been attached for your reference.

2015 Child Care Funding Formula Technical paper

The 2015 Technical Paper is attached to this memo and available on the [Financial Analysis and Accountability Branch website](#). The technical paper explains in detail the various components of the funding formula including data source details and allocation calculations. The technical paper has been revised to reflect updated information for the 2015 allocations; including the new benchmarks and the updated Rural and Small Community Measure.

Clarification of Data Elements

In the course of completing financial reviews it has been observed that clarification of the data elements to be reported in schedules 1.1 and 1.2 is required. The data elements to be reported in schedule 1.1 are those targets to be achieved by the funding outlined in your CMSM/DSSAB service agreement (i.e. the cumulative of both provincial and municipal cost shares). In contrast, the data elements in schedule 1.2 are to include not only those reported in schedule 1.1, but also targets achieved by any municipal over-spending or any other sources of funding.

The ministry acknowledges that not all CMSMs and DSSABs currently track service targets as clarified above; therefore, the Ministry will accept targets based on a pro-rated approach.

For example, municipality X exceeds its cost share requirements by spending an additional \$1M in 100% municipal funding; its required cost share, provincial and municipal, is \$5M. In the event that the municipality's service targets historically included children served with 100% municipal dollars (i.e. fee subsidy – 120 children, SNR 60 children and OW 30 children) the municipality could reduce its targets to reflect only those children served through provincial/municipal cost share using the following pro-ration approach:

$$\$5M / \$6M (\$5M + \$1M) = 83\%.$$

The targets to be included in the service agreement and related reporting in schedule 1.1 of EFIS 2.0 would be reduced to 83% of the historical targets (i.e. 100 fee subsidy children, 50 SNR children and 25 OW children).

For additional clarification please contact your Child Care Advisor and Financial Analyst.

Changes to Schedule 2.9 – Family Support Programs

The following changes have been made to Schedule 2.9 – Family Support Program in the 2015 Estimates submission to align with reporting for other family support programs:

- Schedule 2.9 for Family Support Programs (FSP) is no longer required in the 2015 Estimates submission. Beginning in 2015, only Revised Estimates and Financial Statements will be required for FSP expense reporting.
- Reporting of FSP data elements, expenses and entitlement will be in a separate application in EFIS 2.0

Changes to Schedule 3.1 – Entitlement

The following changes have been made to Schedule 3.1 – Entitlement in the 2015 Estimates submission:

- The layout for Schedule 3.1 has been revised to provide CMSMs/DSSABs with a clear presentation of how entitlement is calculated for each funding envelope (e.g. cost share, capital, administration, etc.)
- The Utilization tab has been added as part of Schedule 3.1 to illustrate the calculation of overspending or underspending for Utilization.
- Committed capital carry forward to 2016 will not be paid in 2015 entitlement. It will be paid in 2016 when the committed capital expenditure is reported as spent in the 2016 financial submission.

Please refer to the attached “2015 Instructions on completing the 2015 Estimates Submission in EFIS 2.0” for changes in other schedules.

Wage Enhancement/Home Child Care Enhancement Grant (HCCEG) Allocation Schedule

As a result of the investment in wage enhancement/HCCEG for child care program staff, Schedule 4.3, Wage Enhancement Allocation Schedule, has been introduced in 2015. CMSMs/DSSABs are required to capture eligible staffing information including full-time equivalent (FTE), salary and benefits.

Schedule 4.3 has been included in the 2015 Estimates forms simply for information purposes. Completion is not required for the 2015 Estimates submission; however, it will be required for the 2015 Revised Estimates submission.

Child Care Financial Compliance Audit

The Ministry will commence its pilot child care financial compliance audit beginning in spring 2015. The audit will entail a review of CMSMs and DSSABs adherence to specific requirements, such as regulations, guidelines, policies, and directives,

otherwise known as a compliance audit in relation to the data reported to the Ministry of Education through the EFIS. An audit strategy will be developed in phases, with 2015 being a pilot year. More information will be shared with the sector as soon as it becomes available.

Should you have any questions about completing the Estimates or the financial reporting process, please contact your Financial Analyst.

Sincerely,

Original signed by:

Marie Li
Director
Financial Analysis &
Accountability Branch
Financial Policy and
Business Division
Ministry of Education

Pam Musson
Director
Early Years Implementation
Branch
Early Years Division
Ministry of Education

Enclosures: Instructions, Financial Analyst Assignment Listing, Technical Paper

cc: Child Care Advisors, Early Years Implementation Branch
Financial Analysts, Financial Analysis & Accountability Branch