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2015: SB09

MEMORANDUM TO: Superintendents of Business

FROM: Marie Li
Director
Financial Analysis and Accountability Branch

DATE: **April 16, 2015**

SUBJECT: **2015-16 Estimates**

I am pleased to inform you that the 2015-16 Estimates and instructions detailing the changes for this year are now available through the Estimates link on the [Financial Reporting website](#).

The forms implement the GSN changes announced in memorandum 2015:B07 and contain a number of changes, some of the key ones that implement the School Board Efficiencies and Modernization (SBEM) initiative in the 2015-16 funding being:

- Section 1.3, School Foundation Allocation
- Section 4, Supported School Allocation
- Section 5, Remote and Rural Allocation
- Section 11, School Operations and School Renewal Allocations

The above sections implement the phase in of SBEM over three years. Other related changes are reflected in section 16, Declining Enrolment Adjustment Allocation and section 10, Administration and Governance Allocation.

Tangible Capital Assets Guide Update

The Tangible Capital Assets (TCA) Guide has been updated to reflect the most current TCA reporting requirements. Appendix C which provides the listing of various TCA

examples has been expanded to include iPads and smart boards as computer hardware. The use of energy efficient occupancy sensors has also been used as an additional example in Appendix F illustrating betterment vs. expenses.

As the reporting of TCA is fully implemented, all references pertaining to the initial implementation of PSAB Handbook Section 3150, and the establishing of opening balances have been removed in the guide.

Please refer to the Release Note 10 which is posted in the Capital Asset Implementation section of the FAAB website for details.

Uniform Code of Accounts Update

The Ministry created a workgroup comprised of school boards finance staff and ministry staff in November 2014 to update the Uniform Code of Accounts for the release of the 2015-16 GSN. The workgroup has identified several areas of improvement which included updating and clarifying definitions to reflect current ministry reporting requirements and where applicable, adding flexibility on the use of certain codes to address boards' individual reporting requirements or situations while maintaining consistency for ministry reporting purposes.

The Ministry would like to thank all boards staff who have participated in the workgroup and contributed their time and expertise to help revise the Code of Accounts.

Please refer to the Release Note 5 which is posted in the Code of Accounts section of the FAAB website for details.

Reporting of School Condition Improvement (SCI) Expenditures

The SCI funding should help school boards address their deferred maintenance backlog identified through the Ministry Condition Assessment Program. As indicated in memorandum 2015:SB04, boards are required to report the SCI expenditures in the Total Capital Planning Solution (TCPS) (and then VFA.facility once available) which will be used to populate the 2015-16 Financial Statements in EFIS 2.0 for final SCI funding calculation for the school year. Boards will get an interim SCI funding payment based on the eligible expenditures reported in the 2016 March Report. Consistent with other capital programs, SCI funding will be provided on a semi-annual basis; as a result the Ministry will fund short term interest costs related to these expenditures. School boards with SCI funds in deferred revenue are required to use them first before accessing the 2015-16 SCI allocation. 80% of the new 2015-16 SCI funding must be applied to major building components and 20% to address any locally-identified renewal needs that are listed in TCPS.

Boards must continue to use SCI funding on depreciable renewal expenditures in schools that are expected to remain open and operating for at least five years.

Please refer to the memorandum 2015:SB04 for further details

Ministry approval for in-year deficit

Please be reminded that in accordance with section 231 of the Education Act, school boards must seek the Minister's approval for an in-year deficit that exceeds the lesser of: 1) the accumulated surplus available for compliance from the preceding year or 2) one percent of the board's operating allocation. Boards should seek Ministry approval prior to the final board's approval of the budget. The approval from the Ministry must be obtained at any point during the fiscal year when it becomes known to the board that its projected in-year deficit will exceed the threshold set out in section 231 of the Education Act. A new approval from the Ministry is required if the projected in-year deficit has increased from the previous approved amount.

The details on the process for requesting Ministry approval is described in the 2015-16 Estimates instructions document.

Submission

Boards are required to submit their 2015-16 Estimates by **June 30, 2015** through [EFIS](#).

Paper documents are no longer required to be mailed to the Ministry to support boards' active EFIS submission. Instead a copy of the following documents should be submitted electronically, from the active EFIS submission:

- Certificate from the Director of Education;
- Compliance Report;
- Schedule 9;
- Schedule 10;
- Schedule 10ADJ;
- Section 1A summary (all pages); and

The documents should be sent as a PDF file by email to estimates.met@ontario.ca as an attachment and should not be directly inserted into the body of the email.

Only the Certificate from the Director of Education in the aforementioned documents requires the Director of Education's signature. The file name used should follow the naming convention specified on the [FAAB website](#).

To facilitate the management of our electronic filing boards are asked to include the following text in the subject line of the email "2015-16 Estimates Supporting Documentation – DSB ##".

Late Filing

The policy on late filing will be applicable to the 2015-16 Estimates. Where a board submits its Estimates after June 30, 2015, its regular cash flow will be reduced by 50%. Upon submission of the Estimates, the Ministry will revert back to the normal monthly payment process and will include in the monthly payment the total amount withheld up to that point.

Access to transfer payment reports through EFIS 2.0

The functionality for school board users to access transfer payment report is now available in EFIS 2.0. Details on how to access the reports was communicated to boards by email on April 14, 2015. The instruction documents can be accessed in EFIS 2.0 through "Task List Instructions".

Contacts

For questions on the Estimates package, please contact your Ministry Financial Analyst. The complete listing of the Financial Analysts and their contact information can be found on the FAAB website under the "[Contact Us](#)" section.

For user login/GO Secure assistance on EFIS, contact:

EFIS Support E-mail: efis.support@ontario.ca

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Original signed by

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cc: Directors of Education