

Ministry of Education

Financial Analysis and Accountability
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2015:SB31

MEMORANDUM TO: Senior Business Officials

FROM: Marie Li
Director
Financial Analysis and Accountability Branch

DATE: **October 21, 2015**

SUBJECT: **2015-16 Revised Estimates (District School Boards)**

I am pleased to inform you that the 2015-16 Revised Estimates, related guides and instructions are now available through the Revised Estimates link on the “Reporting to the Ministry” section of the Financial Analysis and Accountability Branch (FAAB) website at <https://efis.fma.csc.gov.on.ca/faab>

Please submit your 2015-16 Revised Estimates through EFIS 2.0 at <https://efis.fma.csc.gov.on.ca/workspace/index.jsp>. Files that will assist boards in completing their Revised Estimates have been posted on the “Reporting to the Ministry” section of the FAAB website.

Labour negotiations

As the labour negotiations at the provincial level are still ongoing with some federations and unions, the Revised Estimates do not include any terms of the central agreements that have been ratified so far. However, boards are requested to include in their expenditures compensation estimates for employee groups covered under centrally ratified agreements.

The Ministry plans to update the Revised Estimates to implement the compensation provisions and the earned leave plans within the GSN once all labour negotiations have concluded and central agreements have been ratified by respective federations and unions. Further details will be communicated to the boards.

Updates to Capital allocations

The Revised Estimates include some changes to the GSN Table amounts under Capital Priorities and Full Day Kindergarten.

These changes are conditional upon the approval by the Lieutenant Governor of the amendments to the 2015-16 Grants for Student Needs regulation. The Ministry intends to seek approval of these amendments in November 2015.

Proceeds of Disposition Policy

As communicated in the memorandum 2015:B13, the Ministry has made some revisions to the Proceeds of Disposition (POD) Policy outlined in the Ontario Regulation 193/10 Restricted Purpose Revenues. The revisions are effective September 1, 2015 and reflect changes to the use of POD and its expenditures requirements. The Revised Estimates implement the revisions to the POD policy; these changes were communicated in the recent Ministry's financial reporting training sessions.

Contaminated Sites Liability

Similar to the 2014-15 Financial Statements, the Ministry continues to collect information regarding school boards' liabilities for contaminated sites in accordance with PSAB standard (PS 3260). The same schedule (Schedule 10.7) that was added recently to the 2014-15 Financial Statements has also been added to the Revised Estimates. Boards are requested to provide any updated information regarding liabilities for contaminated sites.

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. 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 Ministry approval is required if the projected in-year deficit has increased from any previously approved amounts related to the same school year.

The deficit approval process has been modified such that it is now automated in EFIS 2.0. A new deficit approval form has been added under the Input and Results folders of the task list, which is prepopulated with most of the required data elements. Boards are only required to input the explanation for the deficit.

As was mentioned in the previous section, boards are requested to include in their expenditures compensation estimates covered under the centrally ratified agreements. At the time of submission to the Ministry, the Revised Estimates forms may not be updated with new funding allocations from the labour agreements that have been reached. This will result in many boards reporting an in-year deficit exceeding the

threshold set out in section 231 of the Education Act as there is no incremental funding amount in the forms to offset the additional expenditures. The Ministry will adjust the in-year deficit upon receipt of the board submission to include an estimate of new funding allocations resulting from centrally ratified agreements at the time of submission. If a board's in-year deficit still exceeds the compliance threshold after the funding allocation is included, Ministry's finance staff will contact the board for the in-year deficit approval request.

For more details on how to submit the approval request, please refer to the detailed instructions.

Submission of Financial Reports

Revised Estimates

Please submit electronically by December 15, 2015 a copy of:

- Certificate of the Director of Education
- Compliance Report
- Schedules 9, 10 and 10ADJ
- Section 1A summary;

Only the Certificate from the Director of Education in the aforementioned documents requires the signatures from the Director of Education.

The documents should be saved in pdf file format and submitted as an attachment to the following email: revest@ontario.ca

The file name used should follow the [naming convention](#) specified on the FAAB website and boards are asked to include the following text in the subject line of the email "2015-16 Revised Estimates Supporting Documentation – DSB ##".

Late Submissions

The ministry will apply the existing policy on late submissions i.e. the board's regular cash flow will be reduced by 50% where a board has not submitted its Revised Estimates in EFIS by December 15, 2015. Upon submission of the Revised 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. Given the current labour situation and implication on regular activities for existing central staff, boards that will not be able to meet the submission timeline should contact their Ministry Financial Analyst to make a formal request for an extension at the earliest time possible.

Contacts

For questions on the Revised 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 at http://faab.edu.gov.on.ca/Contact_Us.htm

For user/navigation assistance on EFIS, contact:

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Original signed by:

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cc: Directors of Education
Boards' Finance Managers