

Interim 2016 Priority Operating Fund (POF) Guideline
Question and Answers
September 2016

GENERAL

Q1. Does this funding cover costs incurred since January 1, 2016?

A. Yes, if the expenses align with the eligibility criteria and spending parameters.

Q2. Will POF allocations increase in line with an increase in enrolment and additional staff?

A. Allocations are primarily based on enrolment which informs operating capacity at a point in time. The 2016 interim allocations are based on the May 31, 2016 operating capacity, reported by agencies through the Early Years and Child Care Funds Management Technology System.

Q3. Does the wages/benefits distribution method have to be communicated to all staff or just those who will receive the funding?

A. Providers are required to communicate the method to distribute wage/benefit funding to all staff. Similar to Wage Enhancement, providers will be required to obtain staff signatures acknowledging that they have been made aware of the distribution method.

Q4. Does the funding have to be paid out to staff by the end of the year?

A. Yes, providers are required to distribute the salary and wage portion of the funds to staff by December 31, 2016.

Q5. Are providers required to identify this funding on the employee's paystub?

A. Providers are not required to identify this funding on paystubs.

Q6. Can providers who receive POF still apply for a rate increase?

A. At this time providers can continue to apply for an annual rate increase for fee subsidy. As part of the long term (2017 and onwards) approach for POF, the Region of Peel will be looking at how POF is used to support the affordability of child care.

Q7. What does it mean to have sound business management practices?

- A. For the purposes of POF, sound business management practices include, but are not limited to: adherence to the Guideline, obligations under the funding service agreement, timely and accurate submission of reporting requirements, etc. Please note, any non-compliance related to the above practices may lead to ineligibility to receive future POF.

ELIGIBILITY CRITERIA

Q8. Are providers eligible to receive this funding if they have a fee subsidy agreement but do not currently have any children receiving subsidy enrolled?

- A. Yes, providers are eligible for POF if they demonstrate that they will enrol children and families who are in receipt of subsidy.

Q9. If the supervisor is full-time but is not counted in ratios, because the provider has 7 or more staff, are they eligible to receive POF?

- A. Yes, supervisors are eligible to receive POF funding.

Q10. Are permanent summer staff that work for numerous weeks each year eligible for POF?

- A. Yes, if they are required to cover ratios.

Q11. Can providers give funding to School-age staff even though the funds are generated by the younger age groups?

- A. The POF calculation is based on a points system that reflects the cost of providing programs for younger age groups. Providers can distribute funds to all eligible positions, including school age staff, in a manner that is equitable and meets the needs of the organization.

EXPENDITURE PARAMETERS

Q12. Does the Other Expense category (20% maximum for-profit providers) have to be spent on all of the categories vs. one?

- A. Providers have full discretion to decide how to allocate POF funds towards other eligible expense categories.

Q13. Can POF be used to cover the full or partial cost of a benefit premium? Can this funding be used to offer a health and dental benefit plan to employees?

- A. Yes, POF can be used to enhance an existing staff benefit plan or create a new plan. However, given that the 2016 funding allocation is based on an interim approach, providers are encouraged to consider how benefit plans may be sustained in future years.

Q.14. Can providers use POF to contribute to their surplus/profit/retained earnings?

- A. For-profit providers may not use their POF to contribute (directly or indirectly) to their surplus/profit/retained earnings, etc. All POF must be invested into the program in alignment to the outcomes and expenses outlined in the POF guideline.

Q15. Can providers use this funding for playground inspections, lead testing?

- A. In this interim approach the focus is on staff retention however consideration will be given for playground inspections and lead testing costs in future years.

Q16. Can providers use this funding towards their occupancy lease costs or just the increase to their lease costs?

- A. Providers can use POF to cover a budgeted cost, e.g. lease costs, however they will be required to report how budgeted funds were used to enhance the program in other areas. POF funding cannot be used to contribute (directly or indirectly) to a provider's surplus/profit/retained earnings, etc.

Q17. Can providers use this funding for social media/marketing to increase awareness of their program to parents?

- A. For 2016, the primary focus of POF is to support staff retention however broader consideration may be given for other areas of use for POF as part of the longer-term approach for this funding.

Q.18 Can POF be used to purchase play-based materials?

- A. Yes, providers can use POF to purchase supplies, books and toys which support the development and curiosity of children and encourage exploration, play and inquiry e.g. art material, blocks, musical instruments, sensory material, etc.

Please contact your Early Years Specialist if you have any additional questions.