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## **CANADA-ONTARIO EARLY LEARNING AND CHILD CARE CAPITAL FUNDING GUIDELINE**

**Peel Region Non-Profit Community-Based  
Licensed Child Care Providers  
& Government Agencies**

**2018**

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## Introduction

The Province of Ontario and Government of Canada have announced a shared commitment to provide investments in early learning and child care to increase quality, accessibility, affordability, flexibility and inclusivity, with prioritization for children aged 0-6 years old.

Funding is available under the Early Learning and Child Care (ELCC) Agreement to support non-profit licensed child care providers and government agencies with new community-based capital projects (not in schools).

ELCC Capital Funding can be used to create and support new non-profit community-based capital projects for children 0-6 years of age. Funds cannot be used to create spaces for child care programs that run during school hours for kindergarten and school-age children. Capital funds may be used for retrofits, renovations or expansion projects, but cannot be used to purchase land or buildings. Projects that began after January 1, 2018 may be eligible for retroactive funding.

Sections in the guideline that include either new information or significant changes from 2017 are flagged for your attention with the following symbol: “”

## Key Dates

- The Region of Peel will accept applications for ELCC Capital Funding from non-profit child care providers using the attached form from **February 12, 2018 to March 2, 2018**.
- Project approval will be communicated **within 3 weeks** of receiving a completed application.
- Approved projects must be completed by **December 31, 2018**.

Please refer to *Schedule A* for a timeline overview of the Capital Funding process.

## Objective

This funding is intended to support parents, families and communities across Peel Region in their efforts to ensure the best possible future for their children by increasing the supply of community-based non-profit licensed child care spaces for children 0-6 years old.

## Outcomes

The following outcomes are identified for ELCC Capital Funding:

1. **Increase Parental Choice and Access to Licensed Child Care:** Increasing the supply of community-based licensed child care spaces provides families with range of safe, high-quality licensed child care options that work best for their families.
2. **Address Child Care Demand:** ELCC capital projects will reduce the gap between the demand for licensed child care spaces for children aged 0-4 years and current supply. Currently, only 18 percent of the demand for infant spaces is being met. The Region is prioritizing capital projects that create new infant spaces to better address this need.
3. **Increase Supply of Non-Profit Spaces:** ELCC funding is available to non-profit providers to increase the number of non-profit licensed child care spaces for children aged 0-4 years Peel's Early Years and Child Care system.
4. **Support Overall Health and Well-being of Children:** Increasing access to licensed child care would give more children a safe environment in which to learn and grow, and would support them in achieving their mental and physical potential.

## **Eligibility Criteria**

To be eligible to apply for ELCC Capital Funding, child care providers are required to satisfy the following requirements:

- Be a licensed non-profit child care provider;
- Have a current Fee Subsidy and Funding Agreement with the Region of Peel;
- Meet the following requirements under Peel's Funding and Policy Framework:
  - Engagement in continuous quality enhancement practices;
  - Inclusion of children with special needs by participating in Peel Inclusion Resource Services (PIRS); and
  - Inclusion of children in receipt of fee subsidy through a Purchase of Services Agreement.
- Have sound business management practices and be in good standing with respect to financial/contract reporting requirements for all funds provided by the Region of Peel.

Government agencies in Peel Region are also eligible to apply for this funding. The Region will work with our partner municipalities that are interested in renovating or retrofitting existing space to create/expand licensed child care programs.

## Consultation with MEDU Program Advisor

Any capital work that will impact licensing capacity or rooms and/or play structures would require a consultation with your MEDU Program Advisor. Please notify your MEDU Program Advisor if there is any disruption of service or if the work is going to be done during regular hours when children would need to be displaced or moved.

If providers are unsure if the capital work aligns with the licensing requirements under the *Child Care and Early Years Act, 2014* (CCEYA) we encourage you to contact the MEDU, Program Advisor. This will ensure that capital projects funded through the ELCC Capital Funding align with licensing requirements under the CCEYA.

The Ministry of Education is not responsible for assessing compliance with the *Ontario Building Code*. It is the provider's responsibility to consult their local Municipality (when building permits are required) or an architect or engineer to confirm that the space meets requirements in the *Ontario Building Code* regarding child care facilities.



### Barrier-Free Design

When designing the floor plan, providers are encouraged to give consideration to incorporating barrier-free design elements in cases where it may not be required under the *Ontario Building Code*. This could include designing the space to accommodate wider doors and washroom spaces to accommodate children in wheel chairs, accessible door handles and buttons, etc.



### Site Safety Plan

For approved projects at existing licenced child care locations, providers would be required to develop and implement site safety considerations. This may include considerations regarding construction noise level during set periods of the day such as nap time, ensuring the health and safety of children such as securing construction materials so that it is not accessible to children, preventing workers from having access to children etc.).



### Interest-bearing Account

Providers with an approved project would be required to open a separate account solely for the approved capital project before payments will be issued. It is recommended that an interest-bearing account be considered.

## **Hiring a Certified Consultant**

The Region **requires** that providers retain the services of a consultant that is an architect/planner/engineer (or someone with comparable expertise) to oversee the scope, extent and schedule of work to be completed and to provide administration of all Contractor contracts.

## **Eligible Expenses**

ELCC Capital Funding may be used to support retrofits, renovations or expansions to create new licensed infant, toddler, preschool community-based spaces within Peel Region. Funding may also be used to create new community-based kindergarten spaces that operate before-and-after school, and on non-school days such as Professional Development days, and school breaks.

Examples of possible retrofit, renovation, or expansion projects include: an addition to an existing building, making substantive (change of 50% or more of space) renovation to an existing building, and/or retrofitting an existing space to meet licensed child care requirements.

Examples of expenses which are part of a capital build include:



- Consultant fees (Architect, planner, engineer or someone with comparable expertise)
- Building permits
- Legal costs
- Construction materials and labour costs
- Skilled trade costs
- Foregone interest or interest paid on loans required for upfront costs (e.g. zoning) prior to providing ELCC funding
- Other costs which are reasonable for the purpose of retrofitting, renovating or expanding a building.

One-time start-up funding of \$1,300 per new eligible child care space created is available to support approved providers. Funding can be used to purchase:

- Play-based materials and equipment (toys, books, etc.)
- Indoor furniture/equipment (cots, cribs, strollers, tables, chairs etc.,)
- Playground equipment
- Kitchen equipment and supplies
- Marketing (online, signage, print materials)

- IT equipment/upgrades to facilitate internet connectivity for business purposes, e.g. computer, tablet, scanner, printer, photocopier, modem (available only to providers creating a new child care centre).

Some items are subject to a maximum allowable expense. Please refer to Schedule C for further information.

### **Non-Eligible Expenses**

ELCC Capital Funding cannot be used to:

- Purchase land or buildings;
- Support capital projects for child care programs that run during school hours for kindergarten and school-age children; and
- Support work completed by someone who is related by blood, marriage, common-law partnership or adoption that is not conducted as an arm's length transaction.

### **Funding Prioritization**

The amount of ELCC Capital Funding is limited; therefore the Region of Peel is not able to guarantee that funding will be available for all applications received.

The Region will evaluate and prioritize applications according to the following criteria:

- Level of need: The project is located in a Service Delivery Area (geographic area) where there is an accommodation pressure or service gap for licensed child care;
- Age group: Priority will be given for projects that create new spaces for younger age groups (infants and toddlers); and
- Program budget, financial history and cost effectiveness.

The Region may also consider the following criteria when evaluating a proposed project:

- Current licensed and operational capacity;
- Long-term viability;
- Availability of other child care in the area; and
- Integration with early years services (i.e. are collocated with an EarlyON Child and Family Centre).

### **Application Process**

Providers seeking ELCC Capital Funding must submit a completed application form and the required supporting documentation to the Region of Peel (Early Years and Child Care Services

Division) by **March 2, 2018**. Applications received after this date may be considered, pending the availability of funding and the feasibility of the project completion by established deadline.

The ELCC Capital Funding application form is available to providers on the [Region's website](#). A separate application must be completed for each site for which ELCC Capital Funding is being requested.

As application packages are received by the Region, the following will apply:

- Each application package will be reviewed to verify that all supporting documentation is included.
- If an application form is incomplete, an email will be sent detailing the outstanding documentation.
- All applicants will be notified electronically regarding the status of their application.
- Approved projects will receive a letter of conditional approval outlining required documentation in order for an Agreement to be issued and initial payment to be disbursed.

### **STEP 1: Application**

In order for your application to be processed, the following steps and documents are required:

1. Consult with an Early Years Specialist prior to submitting a completed application;
2. Completed and signed application form (only one application per site);
3. Most recent available financial statement (if not already provided to the Region of Peel)
4. Cash Flow Statement for site (template provided by the Region) including projected information for the next 12 months on a monthly basis;
5. A copy of your communication to the Ministry of Education informing them about your project with an intent to follow up requesting a Floor Plan Approval Letter (e.g. email, screen shot of CCLS upload of your floor plan); **Please note that the Floor Plan Approval letter will be required for approved projects before payments are issued;**
6. A minimum of two quotes from licensed contractors/suppliers, one of which should be completing the proposed work (applicable to projects proposed or in progress). For projects that have been completed since January 1 of the current calendar year receipts and/or paid invoices must be submitted.
7. Ensure projects are created to accommodate a maximum group size for each age grouping for children aged 0 to 6 years.

*See Schedule B for a list of all documentation required by the Region for capital project applications and approved projects.*

*See Schedule D for details of the required quote components.*

Completed applications forms must be submitted to the Region by email to:

[EarlyYearsSystemDivision@peelregion.ca](mailto:EarlyYearsSystemDivision@peelregion.ca).



### **STEP 2: Project Approval**

As part of the approval process, a consultant hired by the Region may conduct a site visit at the site of the approved project to gather additional information needed to inform decision making. Providers will be notified of the results of the project selection process. Successful applicants will be sent a letter of conditional approval.

Providers will be required to submit the following additional documents listed below for projects that are **approved** by the Region:

1. A Floor Plan Approval Letter from the Ministry of Education (MEDU), Child Care Quality Assurance and Licensing Branch to confirm that retrofits, renovations or expansion projects are consistent with licensing standards;
2. A copy of the Board of Directors resolution approving the capital project, if applicable;
3. An occupancy letter from the owner, in cases where the provider leases or rents the premises in which the ELCC Capital Funding will be used, that:
  - Authorizes the provider to complete the proposed ELCC Capital project; and
  - States that the provider has a commitment for the continued use of the space for a minimum of 5 years following the completion of renovations. Please note that the Region may consider a shorter time frame based on extenuating circumstances.  
Exemptions to this requirement would be provided on a case-by-case basis.

### **STEP 3: Signed Agreement**

Following the receipt and review of the documents listed in Step 2 by the Region, an ELCC Capital Agreement/amendment will be forwarded to the provider for the approved project.

## **Disbursements, Reporting and Reconciliation Process**



### **Step 4: Disbursement of Funding**

An Initial payment representing up to a maximum of 20% of the approved capital funding will be provided upon receiving the following documents by the Region.

1. A signed ELCC Capital Agreement/Amendment with the Region;
2. A copy of your signed agreement with the contractor responsible for the capital project;

3. Zoning and Fire Safety Approval;
4. A detailed breakdown of how the 20% initial payment will be disbursed with appropriate documentation to verify expenditures; and
5. Additional documentation as deemed necessary by the Region.

The remaining capital funding will be issued to providers according to project milestones. Providers must ensure that the project is completed by December 31<sup>st</sup> 2018.

Please ensure that receipts:

- Are marked "Paid"; and
- Clearly define and list the item purchased or project completed. Receipts containing only receipt codes or item numbers will be returned to you for clarification.

Please note:

- HST amounts will not be paid on invoices that do not provide a GST/HST number from the vendor.
- Funding can only be used for the approved purpose.
- Final payment is subject to the Region of Peel approval.

 The Region reserves the right to recover any funding received by the provider in the event that the approved project is not completed, ceases operation, dissolves, is sold or otherwise disposed of.

As part of provincial and regional funding verification processes, providers are required to keep all original receipts for a minimum of 7 years. Through the Region of Peel's audit selection process, service providers may be contacted to complete a review of the ELCC Capital Funding.

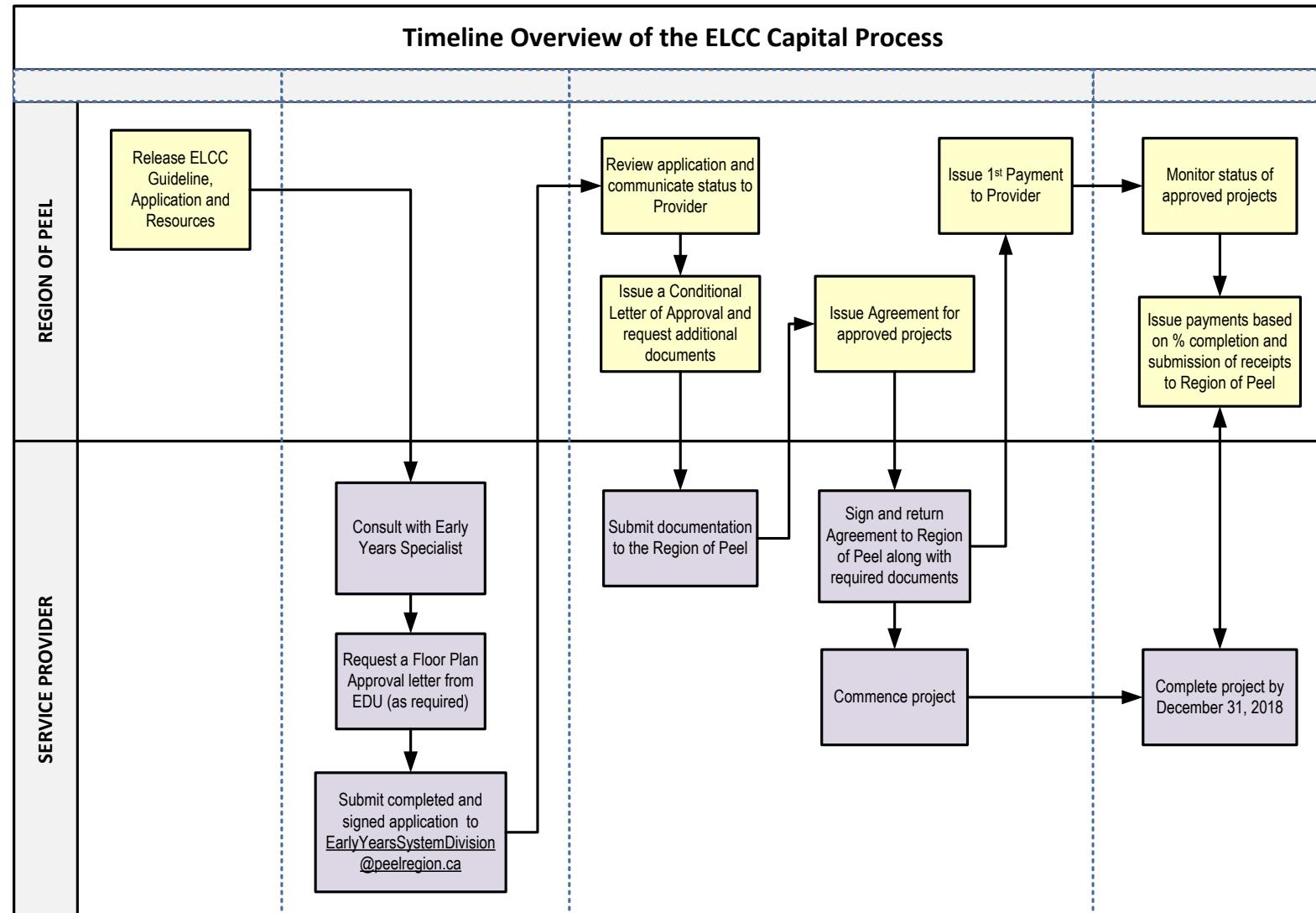
The Region of Peel or any authorized 3<sup>rd</sup> parties may conduct site visits to confirm that funding was used for the approved purpose(s).

## Contact Us

If you have any questions about the ELCC Capital Funding, please contact us at:

[EarlyYearsSystemDivision@peelregion.ca](mailto:EarlyYearsSystemDivision@peelregion.ca).

## Schedule A: Overview of the ELCC Capital Process





## Schedule B: Checklist of Documentation Required

### Documents Required with your **Application**:

- Completed and signed application form
- Cash Flow Statement including projected information for the next 12 months on a monthly basis (Regional template provided)
- Most recent available Financial Statement
- Floor Plan Approval letter request to Ministry of Education
- Minimum of two (2) quotes

### Documents Required for Approved Projects Prior to Signing an **Agreement**

- Floor Plan Approval Letter from Ministry of Education
- A copy of the Board of Directors resolution or authorized person approving the capital project
- Approval Letter from the landlord, if applicable, that authorizes the provider to complete the capital construction and verify the long term use of the unit for at least five (5) years

### Documents required prior to Issuing **Payments**

- A copy of your signed Agreement with the contractor responsible for the capital project
- Zoning and Fire Safety Approval
- A detailed breakdown of how the 20% initial payment will be disbursed with appropriate documentation
- Additional documentation as deemed necessary by the Region.

 **Schedule C: Maximum Allowable Amounts for One-Time Start-Up Expenses**

<b>Item</b>	<b>Maximum Approval (per item)</b>
Commercial Dishwasher including installation	\$ 7,000
Stove: Gas including installation	\$ 6,200
Stove: Electric	\$ 5,000
Range Hood including installation	\$ 2,300
Fridge: 2 door	\$ 6,000
Fridge: 1 door	\$ 4,000
Freezer: 2 door	\$ 5,000
Freezer: 1 door	\$ 3,000
Washer	\$ 2,000
Dryer	\$ 1,500
Secure Entrances	\$ 3,000
Cot	\$ 100
Triple Stroller	\$ 1,000
Quad or more Stroller	\$ 1,500
Safety Gate	\$ 150
Highchair	\$ 300
Cradle, Crib or Playpen	\$ 400

**Schedule D: Quote Components**

A quote is a price for a job and should include:

1. Name of company or individual providing the service
2. Customer/client name and address
3. Reference/quotation number
4. GST/HST number
5. Date and length of time quote is valid
6. Description/scope of work involved and amounts
7. Total cost plus tax amount = Total cost after tax
8. Payment terms