

# **2024 Transition Operating Grant (TOG)**

## **Funding Guideline**

Peel Region

Licensed Child Care Service Providers

Early Years and Child Care Services

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## Section 1: Overview

This guideline contains information for eligible licensed child care service providers (including both centre-based providers and licensed home child care agencies) about the 2024 Transition Operating Grant (TOG).

The 2024 TOG supports eligible licensed child care service providers in Peel to improve program quality and offset administration costs associated with the distribution and reporting of EYCC funding from January 1, 2024, to December 31, 2024.

Please review this guideline, the [Early Years and Child Care \(EYCC\) Service Provider Handbook](#), and your Early Years and Child Care (EYCC) Funding Agreement to understand the funding requirements, eligible expenses, and your obligations for 2024. We will post additional resources on our [website](#).

### **This guideline is subject to provincial updates.**

- In September 2023, the Ministry of Education communicated that the existing CWELCC revenue replacement approach will remain in place for at least the first eight months of 2024. To minimize impacts to child care service providers, Peel will issue funding announcements for the full 2024 calendar year (January to December).
- Once the Ministry confirms the date and details of the new funding formula or any other policy changes, we will make the necessary updates. This may include changes to these guidelines, allocations, and length of time of funding announcements.

## Section 2: Service Provider Eligibility

To be eligible for the 2024 TOG Funding, you must:

1. Have a signed 2024 EYCC Funding Agreement and must be participating in CWELCC and/or Fee Subsidy with Peel.
  - New child care providers who enter a 2024 EYCC Funding Agreement through Peel's CWELCC Expansion application process may receive components of this funding subject to budget availability.
2. Comply with all service provider requirements as stated in the EYCC Funding Agreement, [EYCC Service Provider Handbook](#), and applicable policies.
  - In 2024, this includes the completion of a 2024 Operating Budget to Peel by the due date (for child care providers participating in CWELCC).

3. Be a licensed child care provider in good standing in Peel; and comply with all legislative and regulatory requirements under the [Child Care and Early Years Act, 2014 \(CCEYA\)](#).

## Section 3: Funding Conditions

You must meet the following funding conditions:

1. Use your TOG funding to support eligible child care operations licensed under the [CCEYA](#) and approved to participate in Peel's CWELCC or Child Care Subsidy program. If you provide services under the [Education Act](#), you cannot use your funds to support expenses for the unlicensed portion of your business.
2. Comply with all of Peel's programs/policies, financial, contract, and/or system planning data reporting requirements in the [EYCC Service Provider Handbook](#) and this guideline on or before the assigned due date.
  - Failure to comply with Peel's reporting requirements and other child care service provider requirements including [financial policies and reporting](#) may result in the recovery of TOG funding, or your agency being ineligible for this/future funding.

## Section 4: Eligible Expenses & GovGrants Budget Categories & Funding Flexibility

If you are eligible for the 2024 TOG, you will see the following budget categories in [GovGrants](#):

1. **Administration:** Support administration costs associated with implementing, reporting and reconciliation of EYCC program.
2. **Transition Operating:** Support costs of:
  - a. Audited Financial Statements (AFS)
  - b. Staff Recruitment costs
  - c. Eligible Special Purpose expenses, including supporting technology/software to implement the Safe Arrival and Dismissal policy requirements under the CCEYA.

### Funding Flexibility

You may use your surplus administration funding to support expenses in the Transition Operating budget category. However, you cannot move funding from the Transition Operating budget category to the Administration budget category.

Any surplus funding will be recovered.

**For example:**

You receive an allocation of \$5,000 for your administration line and \$7,000 for your Transition Operating Grant line.

You have met your administration requirements and have \$1,000 left over in your administration line. You may use your \$1,000 surplus administration funding to support eligible expenses under the Transition Operating line, as long as you do not exceed your total awarded amount.

Please review the sections below for more details on eligible expenses.

**A. Administration of EYCC programs**

- Use your administration amount to support administration costs to implement Peel's 2024 EYCC programs and meet the reporting and reconciliation requirements, that Peel requires.
- Owners/operators responsible for administration who are on payroll as of January 1, 2024, are eligible to claim expenses/time associated with the administration of grants and completion of regional reporting requirements (for example reconciliation):
  - For example, if your position spends 5% of your time tracking attendance in OCCMS, your agency may use your administration allocation to offset 5% of your wages to meet this reporting requirement. If your position spends 40 hours per week in the program and you are paid an additional 2 hours to support the administration of programs associated with approved grants you may claim the costs associated with the 2 hours worked/paid.
- Costs for administration such as bookkeeping or accounting with an external company or a third-party company are eligible, provided receipts and invoicing support expense criteria claimed.
- Documentation may be requested. This may include the following:
  - T4's and payroll records.
  - Receipts/Invoices (Ensure invoices are itemized to support expenses claimed).

NOTE: Non-arm's length transaction costs are ineligible unless conducted at fair market value. Fair market value is the price a good or service would sell for in an open and competitive market.

**B. Audited Financial Statements (AFS), as required by Peel**

- Use your Transition Operating amount to support costs of Audited Financial Statements, as required by Peel, for the licensed child care portion of your business.

NOTE: Some costs should also be covered by parent fees and/or CWELCC fee reduction funding. The allocation is not intended to cover your organization’s full audit costs.

### C. Staff Recruitment Costs

You may use your Transition Operating amount to support recruitment costs in 2024:

<b>a) Regular wages and associated mandatory benefits</b>
<p><b>Who qualifies?</b></p> <ul style="list-style-type: none"> <li>• Supervisors</li> <li>• HR staff</li> <li>• Owner and operators of single site agencies on payroll as of January 1, 2024</li> <li>• Other staff</li> </ul> <p><b>What?</b></p> <ul style="list-style-type: none"> <li>• Hours spent conducting the following activities:</li> <li>• Creating job postings</li> <li>• Conducting interviews</li> <li>• Contacting candidates</li> <li>• Liaising with colleges for student placements</li> <li>• Performing reference checks</li> <li>• Providing offer letters to new hires</li> <li>• Preparing for and attending job fairs to recruit child care staff</li> <li>• Other hiring activities</li> </ul> <p>You may cover wages for other HR activities such as planning, benefits and compensation, performance management, training and development, through administration funding or parent revenues.</p>
<b>b) Other recruitment costs</b>
<ul style="list-style-type: none"> <li>• Professional and consulting fees of a third-party recruiter or recruitment company not claimed in all or in part under other regional funding.</li> <li>• Costs for job posting ads with an external company or post-secondary institution.</li> <li>• Registration fees, if applicable, to attend job fairs.</li> <li>• Marketing activities not related to recruitment are not eligible.</li> </ul>

## D. Special purpose eligible expenses, including costs to support software to implement the Safe Arrival and Dismissal policy requirements under the CCEYA.

- Use your Transition Operating amount to support eligible Special Purpose expenses listed in Table 1 below.
- Special Purpose expenses are one-time expenses needed to comply with licensing and health requirements, improve program viability, support business transformation, and enhance quality.

### Eligible Special Purpose expenses

- Supports child care spaces licensed under the [CCEYA](#) in Peel.
- Meets licensing and health and safety requirements and [Peel Public Health \(PPH\) direction](#).
- Are non-consumable items.
- Expenses must be incurred and paid, and activities completed between January 1, 2024, and December 31, 2024. Funding cannot be used to cover expenses from prior years or as an advance on future payments outside the eligible time period.

**Table 1: List of Eligible Special Purpose Expenses**

Eligible Expenses - Transformation Funding <sup>1</sup>	
<b>Objective:</b> to support program viability by providing one-time business transformation supports.	
Eligible Expenses - Transformation	Eligible Items*
<ul style="list-style-type: none"> <li>• IT equipment/upgrades to facilitate internet connectivity for business purposes and, participate in virtual consultations with Peel Inclusion Resource Services (PIRS) Resource Consultants (RC).</li> <li>• Flat-screen TVs are not eligible.</li> </ul>	Computer*
	Tablet/iPad*
	All-in-one printer /scanner/ copier*
	Modem, Router or Wi-Fi Extender*
	Two-way Radio
	Projector and projector screens (1 per site) *
	Conference speakers (1 per site)
<ul style="list-style-type: none"> <li>• You can use up to <b>\$4,000</b> per agency for child care management software subscriptions and</li> </ul>	

parent/guardian interactive apps like Lillio, CRAFTS, Brightwheel, ParentApp, etc. This includes software for implementing the Safe Arrival and Dismissal Policy starting on January 1, 2024.

- The **\$4,000** limit applies to all sites under the same Head Office or multiple Head Offices owned by the same beneficial owner.
- The subscription covers services until the end of the calendar year on December 31, 2024.

- Technology systems to reduce administrative tasks (e.g., automated payroll to support automated payments to staff, automated fee collection from families, automation of CWELCC fee reductions and enrolment, costs to implement accounting software setup, such as Sage, Quickbooks, etc.)

- Website development/upgrades including mobile capabilities and online social media presence

- Online marketing & including marketing for recruitment (e.g., email marketing, social media marketing, Search Engine Optimization (SEO), Display Advertising, Search Engine Marketing (SEM) and content marketing) and/or radio commercials to support enrollment or staffing

- Print materials

- Signage

\*Environmental fees are eligible if it is charged at the time the new item is purchased.

### Eligible Expenses - Repairs and Maintenance (R&M) <sup>1</sup>

**Objective:** to support one-time repair and maintenance costs to help licensed child care programs maintain compliance with licensing and/or health requirements

Area	Repair or Replacement of These Items/ Project Is Eligible*		
Food Preparation	<ul style="list-style-type: none"> <li>• Kitchen hand washing sink</li> <li>• Kitchen cupboards</li> <li>• Countertop</li> <li>• Commercial dishwasher</li> <li>• Commercial grade range hood</li> </ul>	<ul style="list-style-type: none"> <li>• Commercial grade stove: gas</li> <li>• Commercial grade fridge or freezer</li> <li>• Commercial grade food processor</li> <li>• Commercial grade stove: electric</li> </ul>	
Washrooms	<ul style="list-style-type: none"> <li>• Flooring material</li> <li>• Partitions &amp; doors</li> <li>• Taps</li> </ul>	<ul style="list-style-type: none"> <li>• Change tables</li> <li>• Mirrors</li> <li>• Toilets</li> </ul>	<ul style="list-style-type: none"> <li>• Sinks</li> <li>• Soap dispensers</li> </ul>



Major Systems	<ul style="list-style-type: none"> <li>• Building foundation</li> <li>• Emergency lighting</li> <li>• Heating/cooling system</li> <li>• Asbestos removal or encapsulation</li> </ul>	<ul style="list-style-type: none"> <li>• Accessibility</li> <li>• Secure entrances</li> <li>• Windows or doors</li> <li>• Wiring upgrades</li> </ul>	<ul style="list-style-type: none"> <li>• Sump pump</li> <li>• Ventilation System</li> <li>• Leaking roof</li> </ul>
	<ul style="list-style-type: none"> <li>• Air purifiers if ventilation is insufficient or where outdoor or fresh air introduction cannot be achieved by other means.</li> </ul>		
Play Area	<ul style="list-style-type: none"> <li>• Fencing to meet licensing or playground inspection requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Damaged or worn outdoor safety surfacing</li> <li>• Windows</li> </ul>	<ul style="list-style-type: none"> <li>• Damaged or worn flooring material</li> <li>• Drinking water system</li> </ul>
	<ul style="list-style-type: none"> <li>• Damaged or worn ceiling</li> <li>• Heating system</li> <li>• Indoor painting where paint has faded due to frequent cleaning</li> <li>• Playground shade structure</li> </ul>		
Furnishings and Equipment	<ul style="list-style-type: none"> <li>• Cots</li> <li>• Cradles, cribs, or playpens</li> </ul>	<ul style="list-style-type: none"> <li>• Strollers</li> <li>• Chairs</li> <li>• Safety gates</li> </ul>	<ul style="list-style-type: none"> <li>• Tables</li> <li>• Toy Shelves</li> <li>• Highchairs</li> </ul>
<b>Area</b>	<b>Repair or Replacement of These Items/ Project is Eligible*</b>		
Children	Ergonomic chairs used by staff during children’s sleep time		
Other	<ul style="list-style-type: none"> <li>• Washer or dryer</li> <li>• Air Purifiers</li> <li>• Secure Entrances per site (may include surveillance cameras)</li> </ul>		

**Eligible Expenses - Play-Based Material and Equipment (PBME) 1**

Objective: to help create enriching indoor and outdoor environments with open-ended materials that promote children’s learning and development through exploration, play and inquiry consistent with [How Does Learning Happen?](#)

<b>Eligible Items</b>	To be reimbursed, materials purchased must be non-consumable.
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<ul style="list-style-type: none"> <li>• Blocks and construction materials</li> </ul>	<p>Montessori programs can use funding to support outdoor play and purchase items for toddler classrooms that are not Montessori.</p>
<ul style="list-style-type: none"> <li>• Dramatic play</li> </ul>	
<ul style="list-style-type: none"> <li>• Non-consumable art materials</li> </ul>	
<ul style="list-style-type: none"> <li>• Gross motor / outdoor play</li> </ul>	
<ul style="list-style-type: none"> <li>• Table toys and cognitive play</li> </ul>	

## Section 5: Ineligible Expenses

You cannot use TOG funding included in any of the budget categories to support the following:

- Property taxes
- Debt costs including principal and interest payments related to loans (capital and operating) and mortgages
- Professional organization fees paid on behalf of staff or membership in professional organizations
- Bonuses (including retiring bonuses), gifts and honoraria, retirement packages, deferred compensation
- Donations to charitable organizations and fundraising
- Non-arm's length transaction costs, unless conducted at fair market value
- Fundraising expenses
- Personal expenses (vehicles, assets, or services for personal use only)
- Non-base fees
- Fees for ineligible children, such as children enrolled in unlicensed child care.
- Expenses associated with the delivery of non-eligible programs (EarlyON, children enrolled in unlicensed rooms, authorized recreation programs, camps)
- Child care management compensation (outside of regular salaries and benefits received in the calendar year), including transportation and meal expenses/management
- Depreciation/Amortization for building/building improvements and intangible assets
- Management Fees (funded through fee reduction and inflation)
- Franchise Fees (funded through fee reduction and inflation)

The following expenses are ineligible for Special Purpose:

- Online curriculum
- Head office operations
- Home use
- Duct cleaning
- Cellphones
- Fogging machines
- Consumable items (e.g., sand and art materials)
- Extended warranties
- Inspection costs
- Small appliances

This list is not exhaustive. Please email [EarlyYearsSystemDivision@peelregion.ca](mailto:EarlyYearsSystemDivision@peelregion.ca) if you have any questions.

## Section 6: Reporting, Reconciliation, Audit & Recoveries

You must follow the Records and Reports section in your 2024 EYCC Funding Agreement and the [EYCC Service Provider Handbook](#). Additional reporting requirements may be implemented at the Region’s discretion. We may ask for further documentation, such as receipts and paid invoices, to assist in our review process.

2024 TOG funding will be reconciled in three steps:

1. Report of Total Expenditures;
2. Breakdown of Transition Operating Funding; and
3. Documentation and receipts.

### Report of Total Expenditures

In the first step to 2024 TOG reconciliation, service providers will be required to report their total expenditures within each of the respective budget categories through GovGrants. Service providers will enter their total expenditures in the “Spent this Period” field.

### Example of 2024 TOG Reconciliation

Budget Category	Awarded Budget	Spent this Period
Administration	\$10,000.00	\$10,000.00
Transition Operating	\$40,000.00	\$30,000.00
<b>Total</b>	<b>\$50,000.00</b>	<b>\$40,000.00</b>

Please refer to Section 4: Eligible Expenses & GovGrants Budget Categories for more details about which budget category to report an eligible expense under.

### **Breakdown of Transition Operating Funding**

The second step to 2024 TOG reconciliation is the completion of a Reporting Template to provide a breakdown of expenses under the Transition Operating budget category. A template will be provided to collect information about expenditures in each of the eligible expense categories.

For instance, if a service provider reported a total of \$30,000.00 spent this period through their GovGrants report during step one - they would be required to provide a breakdown of expenses.

An officer with appropriate signing authority on your organization must attest that TOG funds were used for the intended purpose and according to the requirements of these guidelines, your EYCC Funding Agreement and the [EYCC Service Provider Handbook](#).

You must submit your completed 2024 TOG Reporting Reconciliation Template through [GovGrants](#) on the due date. This funding will be reconciled and unused funding will be recovered.

### **Documentation and Receipts**

Service providers are expected to maintain documentation including receipts and invoices for the use of all 2024 TOG funding. However, there is no requirement to upload documentation during the 2024 TOG reconciliation process, unless explicitly requested by Peel.

As part of Peel's Accountability Framework, Peel or an authorized agent will conduct on-site or virtual funding inspections to ensure adherence to guidelines and policies. If selected for one of these reviews, service providers will be required to provide any documentation requested, including receipts and invoices. Failure to provide the requested documentation may result in funding impacts or recoveries.

Review the Accountability and Reporting section in your 2024 EYCC Funding Agreement and the Accountability Framework section of the [EYCC Service Provider Handbook](#) for audit and recovery requirements.

### **Requirements for Receipts/Documentation**

Receipts / paid invoices must meet the following requirements:

**Receipt Requirements** must include items claimed only and include:

- Date of the purchase
- Name, address, and contact information of the seller or supplier
- Name, billing, and shipping address of the buyer
- Full description of the goods or services, quantity, and amount. If this is not possible (e.g., a cash register tape), you must write a description of the goods or services on the receipt.
- vendor's business number if they are a GST/HST registrant. If this is not included, GST/HST amounts may not be paid.
- A written label with the funding component (e.g., R&M)
- Multi-sites must label their sites to their receipts/invoices

NOTE: if an item is sold or work is completed by someone related by blood, marriage, common-law partnership, or adoption, you must get a minimum of two quotes in addition to receipts / paid invoices.

### **Paid Invoice**

- It must have a "paid" stamp.
- You must document proof of payment on the invoice (e.g., cheque # or credit card receipt).
- Online orders must include the receipt requirements information including payment details. A credit statement may be required as proof of payment.
- Your invoice must meet all receipt requirements.

### **Audit and Recoveries**

Review the Accountability and Reporting section in your 2024 EYCC Funding Agreement and the Accountability Framework section of the [EYCC Service Provider Handbook](#) for audit and recovery requirements.

## **Section 7: Contact Us**

If you have questions, email us at [EarlyYearsSystemDivision@peelregion.ca](mailto:EarlyYearsSystemDivision@peelregion.ca).

## Appendix 1: Funding Methodology for Calculating TOG

Funding	Calculated as follows:
<p><b>Administration Amount</b></p>	<p><b>Providers enrolled in CWELCC:</b> will receive 3% of the provider’s total General Operating Fund (GOF), Wage Enhancement/Home Child Care Enhancement Grant (WEG/HCCEG), CWELCC Fee Reduction and CWELCC Workforce Compensation Funding (if enrolled) or \$5,700 - whichever is greater.</p> <p><b>Providers not enrolled in CWELCC but receiving Child Care Subsidy funding:</b> will receive their Historical Administration funding amount, which is the same administration allocation provided as part of TOG part B allocation in 2023.</p>
<p><b>Transition Operating Amount</b></p>	<p><b>Centre-Based Providers:</b> \$339.27 multiplied by the Total Capacity as of January 2024 plus \$4000 for technology.</p> <p>NOTE: your amount was adjusted for months your sites are opened in the year.</p> <p><b>Licensed Home Child Care Providers:</b> Active Homes as of February 2024 multiplied by 6 children per home multiplied by \$84.82.</p> <p>NOTE:</p> <p>Center-based providers will receive a minimum of \$5,000 to support eligible expenses.</p> <p>Total Capacity for the center refers to the licensed capacity for infant, toddler and preschool age groups and operating capacity for JK/SK spaces.</p>