

Canada-wide Early Learning and Child Care (CWELCC) expansion funding guideline: Licensed home child care (LHCC)

Peel Region

Licensed home child care agencies

Participating in Peel's CWELCC program

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Section 1: Introduction

The governments of Canada and Ontario are implementing the [Canada-wide Early Learning and Child Care \(CWELCC\) program](#) to lower child care fees, and build a licensed child care system that is high-quality, easy to access, affordable, and inclusive. To deliver CWELCC access for all families, the Ontario government has committed to a directed growth plan to expand licensed child care in priority communities serving diverse and underrepresented populations. To support expansion, the Ontario government has provided licensed home child care (LHCC) agencies with access to funding through the Start-up Grant.

The Start-up Grant is an application-based grant available to eligible LHCC agencies who have been approved to expand under CWELCC in Peel.

The Start-up Grant must support the creation of **new** home-based, full-day licensed child care spaces. Peel Region provides approved funding for eligible expenses to meet Ministry of Education licensing requirements to create new licensed home child care spaces. Expenses must be associated with expansion, and can include play materials, equipment, and furnishings for the new licensed home-based spaces.

This guideline outlines Peel's Start-up Grant requirements for eligible LHCC agencies.

1.1 - General eligibility criteria

To be eligible for a Start-up Grant, you must:

- Be (or be in the process of becoming) a licensed home child care agency.
- Be approved for CWELCC expansion in Peel.
- Agree to participate in Peel's CWELCC program for at least 7 years after opening the new home child care spaces (in other words, from the first day of operation).
- Create **new** home-based, full-day licensed child care spaces.

- **NOTE:** Expenses must be associated with expansion that creates new licensed home child care spaces.
- To be eligible, LHCC agencies must submit a Start-up Grant application for new homes beyond those currently listed in their licence issued by the Ministry of Education, which will create new licensed home child care spaces.
- Opting into Peel's CWELCC program without a licence revision to increase assigned capacity in Peel does not qualify for the Start-up Grant.
- Review [Peel's priority communities mapping tool](#). We encourage LHCC agencies to consider Peel's priority communities when planning expansion; however, we will consider expansion applications across all of Peel.
- Spend the grant and open the new licensed home child care spaces by December 31, 2026.
- Maintain the number of approved home child care spaces in the service area, even if the home child care agency or the capacity of the home child care agency changes.
- Have business management practices that align with Peel's priorities identified in the [Early Years and Child Care Service System Plan \(2025-2030\)](#).

1.2 – Key information

- We are accepting Start-up Grant applications from LHCC agencies, which are submitted as part of CWELCC expansion applications, until **September 29, 2025**. Available spaces and funding are limited.
- We will only accept applications for expansion that create **new licensed home child care spaces** for Peel's CWELCC system. We will not consider applications for homes that are:
 - already operational under the LHCC agency's existing licence and participating in Peel's CWELCC system, or

- approved into Peel's CWELCC expansion program, but the LHCC agency has not yet been licensed, or the homes are not yet operational.
- You must reconcile funding when the approved expansion is completed.

Section 2: Eligible and ineligible expenses

2.1 - Eligible expenses

Equipment and furnishing expenses

- Play materials, equipment, and furnishings (both indoors and outdoors) as outlined in [Section 27 of O. Reg. 137/15](#) under the *Child Care and Early Years Act, 2014* that can be transferred between home child care providers as required.
- Eligible items purchased with the Start-up Grant will remain the property of the LHCC agency.

2.2 - Ineligible expenses

Ineligible expenses for the Start-up Grant include:

- Capital costs of construction for a newly-built head office.
- Purchase of land or buildings.
- Debt costs including principal and interest payments related to capital loans, mortgage financing, and operating loans.
- Property taxes.
- Costs to expand or create licensed child care spaces for programs that run before and/or after school or during school hours for kindergarten or school-age children.
- Indoor and outdoor renovations, additions, or repairs to a home child care provider's premises or potential home child care provider's premises.

2.3 - Funding allocation

We will determine your allocation at the time of funding approval in alignment with Ministry of Education guidelines and available funding.

While the Ministry of Education has set maximum funding benchmarks, you are not guaranteed to receive these amounts. Start-up Grant allocations are based on available funding and demand. We intend to fund as many applications as possible to support our focused expansion efforts in Peel.

Peel is prioritizing the Start-up Grant for the creation of new, full-day licensed home child care spaces that serve CWELCC-eligible children. We calculate Start-up Grant allocations based on new home child care spaces for CWELCC-eligible children only.

Section 3: Expansion phases

3.1 - Phase 1 - Application and review

Application requirements

We are accepting applications until September 29, 2025; however, spaces and funding are limited.

Eligible LHCC agencies interested in the Start-up Grant must apply using the [CWELCC expansion application](#). You must submit the application, along with all required supporting documentation as outlined in the application, by email to EarlyYearsSystemDivision@peelregion.ca.

Please note that Peel must approve your CWELCC expansion application before we can review the associated Start-up Grant application. For more information on CWELCC application requirements, see the [CWELCC expansion plan and application process](#).

The CWELCC expansion application and relevant information is also available on [Peel's website](#).

Application review

We will verify that your Start-up Grant application is complete.

We will assess if the proposed expansion aligns with the Ministry of Education's requirements for the Start-up Grant, and with Peel's local priorities for expansion.

If your application package is incomplete, we will send you an email detailing the outstanding documentation and the timeline for submitting the required information. If we do not receive the information on time, we may withdraw the application.

3.2 - Phase 2 - Approval and funding allocation

We will determine if your expansion can be approved after we review your application. The amount of funding is limited, so we are not able to guarantee that funding will be available for all applications.

We will not approve Start-up Grant applications until you have completed the necessary steps to confirm your acceptance into Peel's CWELCC program. We will email you to confirm if your Start-up Grant application has been approved or declined. Once approved, we will send you a conditional approval letter which will show the maximum funding allocation available and outline any additional documentation requirements.

3.3 - Phase 3 - Execution

Payment

Once your licence is issued by the Ministry of Education, you will receive the Early Years and Child Care (EYCC) Funding Agreement for review and signature. After all parties sign the agreement, you will receive your Start-up Grant allocation.

You will need to track approved funding separately from any other business matters. To ensure accountability, you must establish a separate and dedicated interest-bearing account at a Canadian financial institution to deposit the funding. You may also establish another method of safekeeping of the funding satisfactory to Peel, such that identification and tracking of the funding is readily possible.

Monitoring and status reporting

We require routine reporting to monitor that the new homes are successfully opened within the designated timeframe. Every 6 months, agencies must submit status updates to their Peel-assigned Early Years Specialist (EYS).

You must inform Peel immediately of any risks that will impact the approved expansion progress and/or schedule, quality, or budget.

3.4 - Phase 4 - Close-out and reconciliation

Once expansion is complete (meaning, you have received your new or revised licence from the Ministry of Education, you spent the Start-up Grant allocation, and the new home child care spaces are operational), you are responsible for completing:

- All Ministry of Education licensing requirements.
- 2 reports on GovGrants. See [Section 4.1](#) of this guideline for more details.

Section 4: Reporting and accountability requirements

You should refer to the EYCC Funding Agreement, the [Service Provider Handbook](#) and the [2025 CWELCC funding guideline](#) for further information on reporting and accountability requirements.

4.1 - Reporting requirements

Audited financial statements

You will have until December 31, 2026 to spend the Start-up Grant and to license and open the new home child care spaces.

Your auditor must include a supplementary schedule or Notes to the Financial Statements when submitting their fiscal year-end Audited Financial Statements. The auditor must also include the following information in a table:

- A: Start-up Grant funding received in this fiscal year.
- B: Start-up Grant funding spent on eligible expenses (as outlined in this guideline) for the fiscal year.
- C: Deferral amount to next fiscal year (if applicable, in accordance with this guideline).
- A-B-C: Unused amount to be recovered.

Reconciliation reporting

Once your expansion is complete, you will need to submit 2 final Start-up Grant reports. You will receive any relevant direction before the due date of your reconciliation. See [Appendix 1](#) for more information on invoices and receipts.

On GovGrants, you must submit:

1. **Reconciliation report:** The total amount of Start-up Grant spent.
 - Note: This reported number cannot exceed your total approved allocation, even if your total costs were greater than this amount.
 - Upon expansion completion, unspent funding and/or funding not used for the intended purpose will be recovered.
2. **Progress report:** The number of new homes created.

You can only use funding for eligible expenses for the approved expansion. Peel reserves the right to withhold and/or recover funds that you do not use by December 31, 2026 for the approved purpose.

Keep all original receipts and other supporting documentation for a minimum of 7 years.

Note: When expansion is complete, there may be a discrepancy between the number of homes that were originally approved and the actual number licensed. Funding may be adjusted to align with the actual number of new homes created, as listed on Schedule 1 of the licence issued by the Ministry of Education.

4.2 - Audit

We may contact you to complete a review of approved funding through Peel's audit selection process, or through mandatory audit procedures from the federal or provincial governments. We also reserve the right to conduct check-ins at any time to assess your actual and projected expenditures.

4.3 - Funding cancellation and recovery

We reserve the right to reduce, revise, and/or cancel approved funding, and, if applicable, recover any payments that have already been provided in cases which include:

- Your agency opts out of Peel's CWELCC program before December 31, 2033.
- The approved expansion is delayed for an unreasonable length of time.
- Substantial changes to the scope are made after funding has been approved.
- The approved expansion is not completed.
- The approved LHCC agency ceases operation, dissolves, is sold or otherwise disposed of. LHCC agencies with documented serious viability concerns could be exempted from this provision at Peel's discretion.

- Funding is not used according to the terms of the EYCC Funding Agreement or this guideline.
- Funding was used to generate a revenue or contribute (directly or indirectly) to reserves, surplus, profit and/or retained earnings as applicable.
- Funding was used for expenses that were supported by other federal/provincial/regional programs or grants/discounts.
- You close permanently or sell your agency's or program's assets in an asset sale before December 31, 2033.
- Other circumstances as outlined in the EYCC Funding Agreement.

4.4 - Non-compliance

Non-compliance occurs when you do not meet established deadlines for submitting required information, documents, reporting, or do not meet your obligations as outlined in all relevant funding agreements, Peel's funding guidelines and the [Service Provider Handbook](#).

When non-compliance is identified, Peel will take steps as outlined in the Compliance Policy (see the [Service Provider Handbook](#), Appendix D).

Section 5: Contact us

If you have any questions about the Start-up Grant, please contact us at:

EarlyYearsSystemDivision@peelregion.ca.

Appendix 1: Invoices and receipts

We may ask you to submit a complete list or copies of paid receipt(s) and/or invoice(s) to support your final reconciliation when you complete the expansion. We will review this information to make sure all expenses are eligible and determine whether we need to recover any funds.

Both paid receipt(s) and invoice(s) must be provided on the vendor's official letterhead, in English, in Canadian dollars, and include the following information:

- Name of company or individual providing the service.
- Customer or client name and address.
- Invoice date.
- Invoice number.
- GST or HST number.
- Description or scope of work involved and amounts.
- Total cost, plus tax amount = total cost after tax.

Please make sure that receipts clearly itemize the item(s) purchased related to the approved expansion. We will return receipts containing only receipt codes or item numbers and ask you to clarify.

If you are submitting a paid invoice rather than a receipt, you must document proof of payment on the invoice. For example, the date the invoice was paid, a cancelled cheque, an e-transfer confirmation, a credit card statement, or a bank statement.

Notes:

- HST amounts will not be paid on invoices that do not provide a GST/HST number from the vendor.
- You can only use funding for the approved purpose.