

September 9, 2025

RE: 2025 CWELCC Reporting and Reconciliation Update – Proration for programs serving children aged 0-12 years

Dear Child Care Provider,

As discussed at the recent teleconference on August 12, please see below for guidance on the recording of expenses for providers who serve children aged 0 to 12 years.

Proration of expenses for CWELCC eligible and ineligible children

Child care programs who provide licensed child care to both CWELCC eligible (0 to 6 years) and ineligible children (6 to 12 years) must prorate shared expenses as part of their FAIR (Financial Annual Information Return).

For expenses related to **salary and occupancy**: Child care providers will determine your own reasonable proration method to determine what portion of costs are attributable to the provision of child care for CWELCC eligible children.

For **all other expense categories**: A default proration method based on operating capacity will be applied by Peel.

When entering your operating data into your FAIR/CWELCC reconciliation, it is recommended that you use your May 30, 2025 operating capacity to be consistent with the data used to calculate your allocation.

This default approach will apply to all child care providers. Where this default proration approach does not accurately reflect how costs are shared between your CWELCC and school aged programs, providers may choose to apply your own proration method. You must employ a reasonable methodology to prorate your costs.

Please note: Reconciliation for 2025 School Age (6-12) Programs will be due in January 2026. This means that for providers who serve both CWELCC eligible and ineligible children, you will need to prorate your shared expenses to complete your School Age Programs reconciliation. When your Audited Financial Statement and FAIR are submitted in April 2026, your CWELCC expenses should align with the same proration used in January for your school aged programs.

Documentation Requirements

During CWELCC reconciliation, if you decide to use your own proration method, as part of your FAIR you will be required to provide an explanation of your approach.

Please ensure you maintain clear documentation to support your proration approach (e.g. staff records, capacity and enrolment data, worksheets) and can explain how expenses have been distributed and calculations have been made.

Please note, once you have determined how to prorate your 0 to 12 expenses, these methods must be applied consistently throughout the year and across similar expense types. For consistency, we encourage you to apply the same approach year over year.

Next Steps

Peel will provide reporting and reconciliation templates in the fall. This includes the FAIR and the MEDU Standardized Financial Report (pending release from the ministry).

Please continue to monitor your operating budget to ensure your program costs stay within your program cost allocation and you are on track to meet your expected base fee revenue offset.

Questions?

If you have questions, please contact your Early Years Specialist or email: EarlyYearsSystemDivision@peelregion.ca

Thank you for your continued commitment to supporting children and families in Peel.

Sincerely,

Early Years and Child Care Services
Region of Peel