

2022 Reconciliation Operator Session: Questions and Answers

General Operating Grant (GOG) Reconciliation

- 1. The GOG amount that I distributed was more than I received from Halton Region. Am I able to update the cell with the amount that I distributed?**

The 2022 Reconciliation workbook states the total GOG funding provided by Halton Region for the January - December 2022 funding period. Please only include the GOG amount received from Halton Region.

- 2. Can you clarify the time-limited flexibility in 2022 for GOG allocations?**

The 2022 GOG User Guide mandated that at least 90% of GOG funding be allocated to staff salaries and benefits, with up to the remaining 10% to offset other operating costs. Time-limited flexibility was provided to operators from January 1, 2022 to December 31, 2022 to allocate unspent GOG funds to other eligible operating costs once all GOG staff obligations are met. Operators must honour all existing GOG obligations to staff.

Home Child Care Enhancement Grant (HCCEG) Reconciliation

- 3. Under provider total payments received, it asks to exclude HCCEG but include all other wage supports. Does this include base funding for GOG or just GOG?**

To alleviate the challenges faced by agencies and potential hardships for providers, we request that agencies exclude the 2022 LHCC Base Funding as provider income when determining provider eligibility for the HCCEG for fiscal year 2022. Please note that this is a one-time exception for 2022 funding only. Starting in 2023, LHCC Base Funding will be considered in determining provider eligibility for the HCCEG.

Canada-Wide Early Learning and Child Care (CWELCC) Fee Rebates and Reductions

- 4. What is the date that operators reduced their fees by 25%?**

This is the date that you implemented the 25% reduction in your child care fees in 2022 (e.g. started to charge families a lower fee). This may be a different date than the date you provided fee rebates to families (e.g. in the form of a cheque, or credit). As per your first CWELCC funding allocation letter received in late 2022, your organization was required to:

- **rebate** families within 20 days of receiving funding, and by no later than December 31, 2022; and
- **reduce** your child care base fees by 25% within 20 days of your CWELCC agreement being fully signed (enrollment date).

5. What is the difference between “unique CWELCC eligible children” and “total number of CWELCC eligible children enrolled”?

Unique children means the total number of CWELCC-eligible children who paid child care fees and received fee rebates or reductions in the reporting period from April-December 2022. Please do not count children more than once in this table. If a child attended more than one licensed age group in 2022, please count that child in the age group where they spent the majority of time in care in 2022. For example, if Child A was in a toddler group for 3 months and in a preschool group for 5 months last year, you would record Child A under the “preschool” section.

“Total CWELCC children enrolled each month” is the total number of CWELCC eligible children who attended care and paid child care fees each month.

Both tables must be completed as they are Ministry of Education reporting requirements.

6. Do the funding amounts listed include children who receive fee subsidy?

The fee reduction funding amount reported on your 2022 reconciliation workbook does not include funding for children in receipt of fee subsidy. Funding for children in receipt of fee subsidy was paid separately through OCCMS based on actual attendance records submitted. Please do not include rebates made to fee subsidy parents in the 2022 reconciliation workbook.

7. What if I spent more CWELCC funding than received?

In 2022 operators are funded for fee reduction based on actuals from April – August, and operating capacity from September to December. Operators also received 2.6% inflationary funding on top of fee reduction and wage compensation allocations. The allocation should be sufficient to replace revenue from parent fee reductions. If you have significant concerns about the allocation you received, you are encouraged to reach out to your program analyst.

If you experienced inflationary pressures in 2022 over the 2.6%, you can identify pressures on the CWELCC inflationary and one-time transitional grant funding tab. Please include details in the comment cells to explain the increased costs that were above the funding you received for the one-time grant and inflation. The Region will review this information.

8. What if I received an overpayment in CWELCC funding? Why does CWELCC funding need to be recovered?

If there was an overpayment in CWELCC funding, the Region will recover the excess amount from future payments. Please note that the September to December 2022 CWELCC fee rebate/reduction allocation was estimated based on the operating capacity, operators may have surplus funding if enrollment was less than the operating capacity.

As per the [Ministry of Education's 2022 CWELCC Guidelines](#), any unspent CWELCC funding provided to operators during 2022 must be recovered by Halton Region and returned to the Ministry. This is to ensure that the funding is used for its intended purpose and to avoid misuse or misappropriation of public funds.

Minimum Wage Offset Funding Reconciliation

9. The MWO_1 tab asks for hourly wages in 2021, but asks for actual eligible hours worked in 2022. Should I include eligible hours worked in 2021 or 2022?

To be eligible for minimum wage offset funding, eligible non-RECE staff must have been earning less than \$15 per hour, (excluding WEG but including all other wage supports) on March 31, 2021, or have been hired after March 31, 2021, and before January 1, 2022, and had wages below \$15 per hour (excluding WEG but including all other wage supports). Staff hired after December 31, 2021, are not eligible.

Operators must enter in actual eligible hours worked from April 2022 to December 2022.

10. Do I include other wage supports (e.g. GOG and Pay Equity) when determining the hourly wage for MWO eligibility in 2022?

The 2022 CWELCC Guidelines mandated that the reported hourly wage should exclude WEG but include all other wage supports, such as GOG and pay equity. This calculation was reflected in the 2022 Reconciliation workbook.

However, for the 2023 CWELCC Guidelines, only the base wage will be considered in the calculation of staff eligibility for wage floor, annual increase, and minimum wage offset funding. Other wage supports will no longer be included in the calculation. This change has been incorporated into the 2023 funding and will be reflected in the Region's 2023 reconciliation approach.

11. Under the MWO_2 tab, I included staff who were earning less than \$15.50 per hour (excluding WEG and all other wage supports). However, in the 2022 hourly wage section, do I only exclude WEG and CWELCC funding?

The 2022 Reconciliation Workbook's MWO_2 instruction tab specifies that the staff member's hourly wage should exclude WEG and CWELCC workforce compensation funding but should include all other wage supports such as GOG and pay equity.

CWELCC Transitional Grant and Inflation Allocation

12. What is the timeframe for entering expenses for the CWELCC one-time transitional grant and inflation funding?

The CWELCC one-time transitional grant may only be used for eligible expenses incurred from January 1, 2022, to December 31, 2022. It is important to note that expenses incurred in the 2022 calendar year but paid in 2023 should be accrued by December 31, 2022, and must have been paid by January 30, 2023, to be eligible for one-time transitional grant funding. Please note that expenses incurred in January 2023 are not eligible.

Similarly, CWELCC inflationary funding can only be used towards eligible expenses incurred from April 1, 2022, to December 31, 2022.

13. Do I enter my expenses in all of the categories? Expenses like our occupancy costs were required regardless of funding and not as a result of the CWELCC implementation.

The Region is not asking for all operating costs for the expense categories listed. We are requesting that you include increased costs associated with inflation or CWELCC implementation. For example, if you had an increase in your occupancy costs above the amount that you received for inflation, please note this in the comment section of the table. Or if you had additional costs associated with staff time to calculate and administer fee rebates, you could note those staffing costs.

The expense data will be used to assess and evaluate financial pressures faced by your organization, as a result of inflation and/or CWELCC implementation.

14. What is the difference between “staff wage and benefit costs incurred in supporting CWELCC implementation” and “administration”?

Staff wage and benefit costs incurred in supporting CWELCC implementation could include staff spending additional hours to distribute rebates to families.

Administration could include, for example, incremental costs related to bookkeeping or audits.

15. We have bookkeepers and auditors working for the next two weeks on our 2022 audit. Can this be included as an eligible expense?

Eligible expenses, related to CWELCC one-time transitional grant funding, must have been incurred in the 2022 calendar year, accrued in 2022, and paid before January 30, 2023.

16. Can you clarify how to report expenditures for inflationary funding?

CWELCC inflationary funding is only to be used towards eligible expenses from April 1, 2022 to December 31, 2022. All expenditures must be reported in the "Transitional Grant_Inflation" reconciliation tab. Inflationary expenditures cover all expense categories listed in the "Transitional Grant_Inflation" tab, with the exception of technology, administration and repairs/maintenance expenditures, which can only be covered by One-Time Transitional Grant funding.

17. For repairs and maintenance, do I require special approval if I combine multiple projects that are each less than \$5,000, but when combined total over \$5,000?

Prior approval from Halton is not required if each individual project is less than \$5,000 and the total for all repairs and maintenance projects is over \$5,000. Individual repairs/maintenance projects that cost over \$5,000 required prior approval from Halton Region. Please provide details in the comments column related to these expenses.

Reconciliation Audit Requirements

18. When are audited financial statements due?

To ensure compliance with funding requirements, your organization is expected to submit fully audited financial statements no later than 120 days after the end of your fiscal year in 2022. In the event that you require an extension, please reach out to your program analyst for further guidance.

19. The workbook states that if we receive more than \$20,000 for WEG, the audited financial statement should be signed by a CPA. However, the workbook also states that hard copies are not required. How should a CPA sign it?

Hard copies of the documents are not necessary. If the distributed annual funding of GOG and/WEG falls between \$20,000 and \$50,000, the electronic signature or name of the CPA can be added and dated below the name of the Signing Authority on the "2022 Reconciliation" tab. For organizations that need to submit fully audited financial statements, please submit them in electronic form (PDF version).

20. We received WEG payments retroactive to January 2022, which totals over \$20,000. Do we require a CPA to sign and date the reconciliation?

Yes. If your annual GOG and/or WEG distributed is between \$20,000 and \$50,000, an accountant (CPA designation) must review, sign and date the reconciliation under the name of the Signing Authority.

Other

21. Can CWELCC funding be used towards hiring and recruitment expenses?

CWELCC Workforce Compensation funding is limited to wage floor compensation in 2022 and cannot be used to support staff wages above the wage floor set by the Ministry. We continue to advocate for fair compensation for RECEs in the child care sector.

22. Is funding available for situations where staff do not show up for work or quickly resign, but operators are still required to pay the staff for their training or few days of work?

Halton Region has a broader Workforce Strategy initiative to help address these staffing concerns in the Early Years and Child Care sector.

23. I am on the waitlist for GOG funding. When will I be approved to receive GOG?

The Region is currently exploring options to support operators on the GOG waitlist. Any funding approved in 2023 will be a one-time allocation as the Ministry of Education has announced that it will introduce a new cost framework for 2024.

24. Are there any opportunities for Halton to simplify the reconciliation process to be similar to other regions?

We regularly meet and collaborate with other service system managers. We continue to look for ways to improve our processes and streamline reporting while also adhering to Ministry of Education reporting requirements.

25. Can Halton conduct a conference call for auditors since this is new and to stream line reporting methods set out by Halton?

We have noted this suggestion and will advise if this opportunity becomes available.

26. Is there any funding available to support the loss of revenue due to frozen fee rates as part of CWELCC?

Any loss of revenue due to frozen fee rates as part of CWELCC could be covered by the CWELCC inflationary funding provided to your organization. You may enter eligible expenses in the “Transitional Grant_Inflation” workbook tab.

27. Can operators receive an extension to submit their reconciliation workbook?

If your organization is unable to complete and submit the 2022 Reconciliation workbook by the submission deadline, please contact your program analyst as soon as possible to request an extension.