



Hamilton

Community and Emergency Services
Children's & Home Management Services
Child Care Systems Support
Lister Block Building, 6th Floor
City Hall, 71 Main Street West PO BOX 2040
Hamilton, ONL8P 4Y5
Telephone (905) 546-2424 ext 5126

2019 Child Care Annual Service Contract Review Guidelines

Annual Service Contract Review

The Annual Service Contract Review is used to determine or update the fee subsidy per diems, update Schedule "A" of the Funding Agreement, and maintain accurate records in the Ontario Child Care Management System (OCCMS). In addition to the Annual Service Contract, the City of Hamilton requires that all providers submit a financial report. Organizations with a Board of Directors are also required to submit a board-approved budget for the next fiscal year.

When is an Annual Service Contract Review required?

Providers with an existing Funding Agreement are required to submit an Annual Service Contract Review within four months of the fiscal year-end unless otherwise agreed upon with the City of Hamilton. The Annual Service Contract review package must be accompanied by the financial statements as outlined below. The financial reporting requirement is based on the amount of total General Operating for Wages funding received. Once an audit is required, the Recipient will continue to submit audited financial statements in subsequent years. If there are any major changes to the program, including care levels, staffing levels or market rates please contact the Program Analyst at 905-546-2424 ext. 5126 for further instructions.

- Centres that receive \$100,000 or more in General Operating funding for Wages from the City of Hamilton are required to submit audited financial statements that include a third party special purpose report, verifying that the wages portion of the General Operating funding issued has been used for the purpose(s) intended.
- Centres that receive between \$30,000 and \$99,999 in General Operating funding for Wages from the City of Hamilton are required to submit either a Review Engagement or audited financial statements and include a third party special purpose report, verifying that the wages portion of the General Operating funding issued has been used for the purpose(s) intended.
- Centres that receive less than \$30,000 in General Operating funding for Wages from the City of Hamilton are required to submit financial statements signed by the Board Chair or Agency Authorized Signee/Owner.

For organizations with a Board of Directors, a copy of the current board-approved budget is also required.

What if a Per Diem increase is warranted?

For Providers submitting their Annual Service Contract review package between January–June approved increases will be effective July 1st.

For Providers submitting their Annual Service Contract review package between July–December approved increases will be effective January 1st of the following year.

What is the Annual Service Contract Review package?

The Annual Service Contract Review submission package consists of 10 tabs in one of the Worksheets:

1. Cover page, Business Summary
2. Management Information – Board of Directors or commercial ownership
3. Financial Statement of Expenses
4. Financial Statement of Revenues
5. Comments
6. Site Summary
7. License, care level and market rate information
8. Salary Survey
9. Blank
10. Break Even

Submitting the Annual Service Contract Review

Once completed the Annual Service Contract review submission should be submitted **electronically** in Microsoft Excel for Windows format to: ccss@hamilton.ca.

A hard copy of *Section 1* and *Section 2* with original signature(s) must also be submitted to:

Child Care System Support Team
Healthy and Safe Communities Department
Children's Services and Neighbourhood Development Division
Lister Block Building 6th floor
City Hall, 71 Main St W, PO Box 2040
Hamilton, ON L8P 4Y5

How to complete the Annual Service Contract Review

Section 1: Cover Page (Excel tab: Sec 1 Cover Page)

The cover page should be populated with information related to business management.

The following table outlines the description of the information required.

Field	Description
Date	Date the forms were completed and signed
Organization Name (Head Office)	The company name
Legal Name if different	Legal name of the business
Address	Address of the main office
Submission Prepared By	The name of the person who completed the package and can answer questions regarding the submission
Position/Title	Position of the person who prepare the submission
Phone Number	The phone number of the person who prepared the submission.
Organization Signing Authority	Printed name of the authorized signing officer of the organization
Position/Title	Position as it relates to the organization of the Authorized Signature
Signature	Signature of the Organization Signing Authority
Number of Licensed Provider Sites	Number of Sites with a License under the CCEYA that this organization operates in the City of Hamilton
Type of Business	Check the appropriate box that best describes the organization's business structure

Section 2: Management (Excel tab: Sec 2 Management)

The management page is the information about the individual ownership or the leadership of the organization depending on the type of business. Only one of these sections should be filled in.

Board of Director Summary (Non-Profit)

The date of the last annual general meeting should be indicated. A member of the Board of Directors must provide a signature, confirming that the attached Projected Budget has been board-approved. Provide the appropriate information for the key positions on the CURRENT Board of Directors. This is the information for the Board of Directors that is in place at the time that the forms are completed. Check off the Signing Authority box for each member that has the authority to sign on behalf of the corporation.

OR

Owner Information (Commercial Proprietorship)

This section is for organizations that are not incorporated and are owned by an individual or a partnership. Provide the appropriate information for the owners of the business.

Section 3 Financial Statement of Expenses (Excel tab: Sec 3 Expenses)

The Statement of Expenses is a summary of the expenses for the organization as it relates to the child care centre operations.

Using the information from the recent fiscal year-end financial statement, populate the expenses in the “Fiscal Year-End” column. If there is a different description on the financial statement, include that description on the table.

The “Projected Next Year” column must be completed and populated with the organization’s planned budget for the next fiscal year. For organizations with a Board of Directors this should match the submitted board-approved budget.

Section 4 Financial Statement of Revenues (Excel tab: Sec 4 Revenues)

The Statement of Revenues is a summary of all sources of revenue for the organization as it relates to the child care centre operations. The information included for the recent fiscal year-end must match the financial statement for that year. The “Projected Next Year” column is the organization’s forecast for the next fiscal year. For a non-profit organization this should match the board-approved budget. If there is a different description on the financial statement, input that description on the table.

The table below outlines the description of the information required.

Revenue	Description
Parent Fees	Fees paid directly to the organization by parents for child care. This includes those families in receipt of child care fee subsidy
City of Hamilton Fee Subsidy	Fees for child care paid directly to the organization by the City of Hamilton.

Revenue	Description
City of Hamilton Wage Subsidy (includes General Operating for Wages and System Priorities and MOS Pay Equity) and Provincial Wage Enhancement Grant Funding (expenses included in Salary Expense)	Wage subsidies paid directly to the organization from the City of Hamilton. These payments to staff would be included under the appropriate salary and benefit expenses.

Revenue	Description
Other Grants	Any other grants received
Interest Income	Interest income earned
Other	Other sources of income
Fundraising	Income from fundraising activity or donation
Total Revenue	Total must equal the financial statement.

Section 5 Additional Comments (Excel tab: Sec 5 Comments)

This section is for any additional information or comments you would like to make regarding the information provided in the package. Additional comments are not mandatory – if you do not have any comments you do not need to include this page with the package.

Section 6: Site Summary (Excel tab: Site Info)

This section collects the information for the location of the licensed child care site.

Field	Description
Date	Date the forms were completed and signed
Organization Name (Head Office)	The company name
Site Name	Name of the licensed program
Address	Location of the licensed program
Site Supervisor	The name of the supervisor who is available on site
Phone Number	The phone number of the site
Fax Number	The fax number of the site

Site Information:

Months of Operation: check off all months that the centre is open or partially open.

Hours of Operation: indicate the start and end time for each day the centre is open.

Closure Periods: indicate the dates the centre has made a business decision to be closed. Do not include statutory holidays.

Accessibility: check off the box that most closely describes the level of accessibility for people with disabilities at the site.

Building Type: check off the box that describes the location of the site.

Parking: check off all parking options that are available at the site.

Other Information: check off all information that applies

Section 7: License, care level and market rate information (Excel tab – Sec 7 License)

This section collects the CCEYA licensing, operating and market rate information for the location of the licensed child care site. The information collected pertains to the last fiscal period, the current period and any future changes anticipated.

There are three tables and should be filled in as follows:

Fiscal Period Ending Table

Complete this information as it relates to the last month of the Fiscal Year-End that is being reported on in this package. This should be the same as the year-end of your financial statement.

Current Information Table

Complete this information as it relates to the current operations at the time that the package is completed.

Projected Changes (if any) Table

Complete this information as it relates to future planned changes. If you do not have any changes planned do not complete this table. If you are planning on changing your market rate then this table should be completed.

Primary License Capacity

The number of spaces in the **Primary License** for the Program as issued by the Ministry of Education for each Age Group. Please note: use the correct kindergarten age group based on the licensing ratio.

Operating Capacity

Based on the requirements of the Child Care and Early Years Act, operating capacity is the number of children for which the program is staffed on an ongoing basis for each Age Group. Operating capacity may be less than licensed capacity but it cannot exceed licensed capacity.

This is NOT your current enrollment.

See example on following page.

Primary Licensed Capacity	Average Daily Enrollment	Operating Capacity
10 Toddlers	6 children	Two staff would be necessary to satisfy the required staff ratio of 1:5. Therefore the operating capacity is $2 \times 5 = 10$
32 Preschoolers	21 children	Three staff would be necessary to satisfy the required staff ratio of 1:8. Therefore the operating capacity is $3 \times 8 = 24$

When the Director has approved mixed age grouping, younger and/or older children placed in this grouping are counted only in the group in which they are enrolled.

Days per Year

The number of days per year the care is offered. If the centre charges for statutory holidays, they should be included in this total. For example, there are 261 weekdays in 2019, including 10 statutory holidays.

Months Open

The number of months the program operates in the calendar year (Jan-Dec) for each Age Group. This should correspond to the number of hours per week for the program. The total number of months for an age group should not exceed 12.

Hours per Week

The number of hours per week the program operates for each Age Group.

Rates

Input the market rates for each care type of as it relates to the appropriate timing of the table. Only input rates that your organization offers. For example if you do not have monthly rates do not input anything in this column. If you have planned to increase market rates in the future, then the Projected Changes table should be completed.

Section 8 Salary Survey (Excel tab – Sec 8 Salary Survey)

Salary Survey

Complete the chart with the average hourly base rate paid by your organization by position. Do not include Wage Subsidy (General Operating for Wages and System Priorities, MOS Pay Equity or Provincial Wage Enhancement funding).

Base Rate: The hourly rate a child care organization pays to an employee without subsidies included.

Supervisor: holds administrative and/or teaching duties, is an ECE graduate (or equivalent) with a minimum of 2 years experience in the field and is the approved supervisor by the Ministry of Education.

Assistant Supervisor: holds the responsibility and role of Supervisor in his/her absence

Registered Early Childhood Educator: meets the requirements determined by the College of Early Childhood Educators and is registered as such with the College.

Other Classroom Staff: holds classroom duties, but is not a registered ECE.

Number of Staff: This is the number of individuals indicated in the Staffing Levels for each category.

Blank (Excel tab: Blank)

This section is a blank page for any notes or calculations.

Break Even (Excel tab: Break Even)

This section summarizes the per diem calculation based on a Break Even point of 85% occupancy of the operating capacity. If the Break Even point is less than 85%, the outcome does not warrant market rate.

Break Even Point is the point at which the total expenditures from the daily operation equals the total revenues from the fees (based on the lowest daily market rate) multiplied by the operating capacity

The influencing factors are:

Current and Projected Expenses (Sec 3 Expenses)

Current and Projected Revenues (Sec 4 Revenues)

Operating Capacity, Days per Year, Market Rate (Sec 7 License)