

Provincial
Home Child Care
Enhancement Grant -
HCCEG
User Guide
for
Licensed Home
Child Care Agencies

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Introduction

Purpose

This guide provides information to eligible licensed home child care agencies (agencies), to apply, distribute and reconcile the Home Child Care Enhancement Grant (HCCEG) as funded by the Province of Ontario and administered by the Regional Municipality of Halton (the Region).

Background

HCCEG supports a wage enhancement for eligible child care professionals working in licensed child care settings. The funding is intended to help retain Registered Early Childhood Educator (RECEs), and support access to stable, high-quality child care programs for children in Ontario. The wage enhancement will also help close the wage gap between RECEs working in full-day kindergarten (FDK) programs in the publicly funded education system and RECEs/other child care program staff and providers working in licensed child care settings.

HCCEG funding supports an increase of up to \$20 per day for providers working with licensed home child care agencies.

As a Consolidated Municipal Service Manager (CMSM), the Region follows the Ontario Child Care Service Management and Funding Guideline (Guidelines) to administer the HCCEG funding to eligible agencies. Agencies are required to follow the standards of the Halton Region Child Care Service Management Agreement, WEG (HCCEG) Agreement, and HCCEG User Guide in order to comply with the requirements.

Should you have any questions about this guide, please call the Manager of Systems Planning and Evaluation, Children's Services at 905-825-6000 ext. 2966 or by email at: WEG@Halton.ca.

Eligibility Criteria

Program Eligibility

All agencies are eligible to apply for HCCEG funding, regardless of auspice, participation in municipal quality initiatives, or current agreement status with the Region.

Agencies created in 2019 are eligible to apply for HCCEG in the year the program begins operations.

All agencies must have an agreement with the Region to receive HCCEG funding. If agencies do not have a Child Care Service Management Agreement with the Region, they will need to have a separate WEG (HCCEG) Agreement. Refer to Appendix A for the WEG (HCCEG) Agreement requirements.

Home Child Care Provider Eligibility

Eligibility is applicable to home child care providers included on the application, and providers receiving HCCEG payments.

To be eligible to receive the full HCCEG of \$20 per day, home child care providers must:

- Hold a contract with a licensed home child care agency;
- Provide services to one child or more (including privately placed children; excluding the provider's own children);
- Provide full time services on average (6 hours or more a day); and,
- Receive base daily fees, excluding HCCEG, of \$20 less than the wage cap identified by the Ministry of Education (EDU) annually.

In order to be eligible to receive the partial HCCEG of \$10 per day, home child care providers must:

- Hold a contract with a licensed home child care agency;
- Provide services to one child or more (including privately placed children; excluding the provider's own children);
- Provide part time services on average (less than 6 hours a day); and,
- Receive base daily fees, excluding HCCEG, of \$10 less than the wage cap identified by EDU annually.

Please note: information on privately placed children must be considered when determining eligibility and payments for the HCCEG.

Wage Cap

As one of the goals of the HCCEG funding is to close the wage gap between RECEs working in publicly funded schools and RECEs, child care program staff and providers in licensed child care settings, EDU has established an hourly wage maximum. This wage cap aligns with the top of the existing school board Educator Salary Matrix for RECEs in full day kindergarten (FDK). The cap applies when determining eligibility and payments to home child care providers.

In 2019, the wage cap has increased by approximately 1.5 percent to align with the adjustments to the salary and wages of the school-based RECE grids in accordance with the current education sector labour agreements.

In 2019, EDU has established a daily payment maximum of \$274.70 per day for full HCCEG (\$164.82 for partial HCCEG).

HCCEG	2019	2018	2017	2016	2015
Full	\$274.70	\$270.70	\$266.80	\$262.70	\$262.70
Partial	\$164.82	\$162.42	\$160.08	\$157.62	\$157.62

If a provider exceeds the wage cap at any time during the year, excluding HCCEG, they will no longer be eligible to receive the increase.

Supplemental Grant

EDU funds a supplemental grant for agencies. The supplemental grant is automatically calculated at \$50 per provider.

The supplemental grant gives agencies some flexibility to provide and implement HCCEG to providers, and cover shortfalls due to increased days of service or new providers. The supplemental grant must be used to support providers' daily payments.

Program Closure

If an agency in receipt of HCCEG funding closes, the Region will work with the agency to meet the accountability requirements and support payments to eligible providers for days worked before the closure. Any unused funds will be recovered.

Distribution

Payment to Agencies

HCCEG funding will be issued to an agency via direct deposit once all requirements for the agreement with the Region have been met.

The schedule of HCCEG funding payments to agencies will be provided by the Region annually.

Payments to Providers

HCCEG funding (including the supplemental grant) must be directed solely to licensed home child care providers to increase provider payments. HCCEG funding cannot be used to support operating costs, expansion or reduce fees.

HCCEG payments must be made to providers on each regular pay cycle. Lump sum or quarterly payments of HCCEG funding to providers are not permitted.

All HCCEG payments to providers must be made before December 31.

Agencies must notify home child care providers of the amount of HCCEG provided to them on the home child care provider payments, OR through a separate letter, labeled as follows: Provincial home child care enhancement grant (HCCEG)

Agencies in receipt of HCCEG funding will:

- Ensure the transparent distribution of the funds using:
 - Separate account or general ledger for the HCCEG funds;
 - HCCEG funding indicated on provider payment, or separate letter;
 - Clear policies; and,
 - Communication to providers regarding the calculation and distribution;
- Allocate the correct amount of funding for each eligible provider using:
 - Days worked within funding year
 - Full or part-time status (over or under 6 hours per day); and,
 - Fees paid to the provider within funding year;
- Allocations must be based on both agency placed and privately placed children;
- Cease HCCEG payments if a provider's daily fees exceed the wage cap. An attestation model is acceptable;

- Pay up to a maximum of \$10 per day per agency for providers working with more than one agency within the Region;
- Ensure the payment increase does not exceed \$20 per day and daily fees are at least \$20 under the wage cap;
- Provide HCCEG in addition to base provider payments, and General Operating Grant (GOG) payments; and,
- Make all attempts to contact providers who left the agency during the year to ensure they receive their HCCEG payment.

HCCEG Year-to-Date (YTD) Report Process

For existing agencies, the 2019 HCCEG applications will be replaced with a HCCEG Year-To-Date (YTD) Report. This report will allow agencies to identify projected funding surplus and shortfalls and provide an opportunity to request additional funding if needed, particularly to support the impact of the increased wage cap.

Future HCCEG funding payments for existing agencies will be adjusted based on the details in the YTD Report.

The YTD Report, including instructions, will be sent directly to existing agencies to confirm 2019 allocations. If you have not received the YTD Report for your program, please contact the Region at WEG@Halton.ca.

Reconciliation – Agency Accountability

Agencies receiving HCCEG funding are required to reconcile the amount of funding received on an annual basis. The reconciliation provides confirmation the funding was allocated according to the funding guidelines and identifies surplus funds to be recovered.

The Region will provide the HCCEG year-end reconciliation template to the agency annually. Reconciliation will be completed for only the head office.

As part of the reconciliation, agencies will be required to sign a statement which attests that 100 percent of HCCEG funding was provided directly to eligible providers.

Agencies will:

- Report only on eligible providers;

- Use existing provider payment method;
- Declare any unused funds; and,
- Return the signed original reconciliation template as well as an electronic version to the Region by the identified due date.

Agencies will return unused funds or funds not utilized in accordance with the conditions outlined in this User Guide or the Agreement with the Region. Recovery will be processed against future funding payments within the following funding year, or by direct payment in the case funding is not requested the following year.

In the event that the Region determines that an agency has failed to meet the funding conditions outlined in their agreement for the provision of HCCEG funding, the Region will recover all misused funds. Additionally, non-compliant agencies may be deemed ineligible to receive future HCCEG funding.

Audit Requirements

As a means of verifying the HCCEG funding was distributed appropriately, an audit process is required when combined funding from WEG/HCCEG and GOG exceeds \$50,000. The table below outlines the audit requirements based on funding amounts.

Annual GOG and/or WEG/HCCEG Received	Requirement
Under \$20,000	Accountant review not required
\$20,000 - \$50,000	Accountant must review reconciliation package Designation: Chartered Professional Accountant (CPA) registered in Ontario Deadline: within 120 days after Agency’s fiscal year end
Over \$50,000	Auditor must review applicable reconciliation packages for GOG and/or WEG/HCCEG and provide fully audited financial statements Auditor signatures required on: Applicable Supplementary Audit Review Form Designation: Chartered Professional Accountant (CPA) registered in Ontario with a Public Accounting License Deadline: within 120 days after Agency's fiscal year end

The agency is responsible for covering the cost of the audit and HCCEG funding can not be used to support these costs. Audit costs are eligible under the WEG/HCCEG Administration Grant.

The agency will ensure that the person(s) and firm performing the financial statement audit and signing the Supplementary Audit Review Form are independent of the agency in accordance with the Chartered Professional Accountants of Ontario Rules of Professional Conduct. The person(s) performing the financial statement audit or a member of their immediate family cannot serve as directors, officers or board members for the agency, or have a financial interest in the organization.

HCCEG Compliance Audit

Auditing is a cornerstone of good public sector governance. The Region will randomly select agencies to participate in audits to provide assurance that HCCEG funds have been appropriately spent and provide evidence of sound management practices and accountability. These audits will be completed under section 8.1 of the Child Care Service Management Agreement and Section 7.3 of the WEG (HCCEG) Agreement.

WEG/HCCEG Administration Grant

To support agencies with the implementation and administration of HCCEG funding, EDU provides administration grant funding. Agencies can use this funding to offset costs to administer HCCEG funding.

Eligible administration costs may include;

- WEG/HCCEG audits;
- Upgrading payment systems;
- Purchasing new computers and software;
- Paying for additional staffing hours related to HCCEG; and,
- Developing internal processes to track data and expenditures.

Funding amounts for the administration grant are provided annually.

Public Inquiries

The Region may receive inquiries regarding HCCEG from the public. The Region will not provide specific information regarding agencies in response to inquiries and will redirect such inquiries to the appropriate agency. The Region may share general information about HCCEG, where appropriate. The Region may follow up directly with the agency regarding inquiries from the public, if necessary.

Appendix A – WEG (HCCEG) Agreement Requirements

The following documents are required to initiate a WEG (HCCEG) agreement:

- Articles of Incorporation, Letters Patent and the by-laws of the corporation:
- Conflict of Interest policy and by-law when the operator is a non profit corporation;
- CIA AR that was filed for the corporation of filing from the Canada Revenue Agency,
OR
Corporate Profile Report located at www.oncorp.com dated within 30 days;
- Certificate of Insurance, with the following insurance limits and The Regional Municipality of Halton, 1151 Bronte Road, Oakville listed as “Additional Insured”:
 - Comprehensive General Liability limit of \$5 million per occurrence; and if the policy includes an aggregate limit, it must not be less than \$10 million in the aggregate;
 - If providing transportation: Automobile liability insurance limit of \$5 million per occurrence;
 - WSIB coverage and a copy of your existing WSIB Clearance Certificate. If your program is exempt from WSIB, please provide evidence of Employers liability or Contingent Employers Liability protection in the case of workplace related injury by employees, contractors or agents on your certificate;
 - Either an endorsement or the general liability insurance policy or a standalone liability policy providing coverage for bodily injury claims arising vicariously out of actual or threatened abuse or molestation by anyone or any persons and negligence related to the hiring, employment, placement, training, supervision, investigation and reporting incidents of abuse or molestation. The limits of liability shall not be less than \$1 million in the aggregate; and,
- HCCEG Policy including the following key commitments:
 - Reference to HCCEG User Guide and/or Guidelines;
 - Identification of HCCEG funding on provider payments through one of the acceptable options (details included in Distribution section);
 - Issue HCCEG payment to providers on each pay cycle and within the year it is allocated to the agency;

- Inform providers about the HCCEG and process;
- Ensure the policy is posted, provided or available to all providers;
and,
- Track and reconcile the HCCEG funding.

The WEG (HCCEG) Agreement has a three year term. The following documents are required annually:

- Schedule A;
- Corporate Profile Report dated within 30 days; and,
- Certificate of Insurance when renewed.