



Early Childhood Development Services

Family Home Day Care Program

Terms and Conditions

2011-2012

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Background

Family Home Day Care was introduced in 2007.

Family Home Day Care is child care provided in the care provider's home. Research done by the Canadian Child Care Federation estimates there are 170,000 family home child care givers in Canada, with 15,000 regulated and 155,000 unregulated. The primary purposes of regulated family home day care are to:

- Give parents the option of a formal child care service in a home setting where care is monitored to ensure it meets established standards;
- Provide another option for child care for parents eligible for assistance with fees;
- Support parents who are employed or training for employment; and
- Promote children's health, safety and well-being.

This document describes the Department of Community Services (the Department) Terms and Conditions regarding the **Family Home Day Care Program**.

Policy Statement

Overview

The objective of the **Family Home Day Care Program** is to provide healthy, safe, and appropriate environments for young children who are being cared for in private homes across Nova Scotia.

The goal of the program is to expand the delivery of child care services in Nova Scotia by helping to support and monitor child care in private homes.

The Department will license Family Home Day Care agencies, the agencies will approve the homes and manage and support the care providers offering child care services in their own homes. An agency is required to hire a family home consultant who will be responsible for visiting and working with the care providers to promote safe environments for children and promote early childhood development.

Any business or organization (profit and non-profit) that is registered with the Registry of Joint Stock Companies may apply to become an agency, e.g.; a church or community group, a currently licensed day care, a family resource centre or other social interest organization. To be considered for a license, a proposed agency would be required to complete the requirements set out in the *Day Care Regulations*, to demonstrate that it is able to fulfill the roles and responsibilities required of an agency, including evidence of financial viability.

An approved Family Home Day Care agency may be provided funding to cover the costs of operating an agency.

A Family Home Day Care agency will provide services to a care provider who meets the minimum qualifications and is approved by the agency. The program does not require persons providing care to children in their homes that are within the maximum limits defined in the Day Care Regulations, to become affiliated with a Family Home Day Care agency unless they choose to do so.

Role of an Agency

Agencies must abide by the *Day Care Act* and *Regulations* and Standards. The following describes the agency's responsibilities:

- Recruit and approve care providers and family day care homes to establish and operate approved family home day care;
- Hire a family home consultant;
- Monitor care providers and family day care homes under its management to ensure that they comply with:
 - *the Act* and its *Regulations*;
 - the service agreements signed by each care provider with the agency; and
 - any Provincial standards or guidelines requested by the Minister.
- Provide support to care providers and family day care homes under its management, including all of the following:
 - assisting parents and care providers in matching requirements with services;
 - administrative support and record-keeping;
 - organizing parent committee meetings;
 - providing a lending library;
 - providing regular play groups;
 - coordinating the delivery of professional development courses for agency staff associated with the family home day care program and care providers; and
 - providing or organizing transportation for care providers and children enrolled in approved family home day care to attend agency functions.
- Ensure that care providers and family homes meet and continue to meet the requirements for approval;
- Ensure that agency staff have current first aid and CPR training; and
- Annually assess care providers and family day care homes under its management.

Role of a Family Home Consultant

The Family Home Consultants are required to have a two-year Early Childhood Education diploma and at least two years experience working in early learning and child care programs. They must abide by the *Day Care Act and Regulations* and Standards. Some of the primary responsibilities of the Family Home Consultant are to:

- recommend approval of care providers and family day care homes for an agency;
- monitor approved family home day care for an agency;
- act as a resource to the care providers under the agency's management and provide advice and guidance to them; and
- visit each care provider and family day care home managed by the agency at least once every 30 days to provide them with support and services.

Role of the Care Providers

Care providers must ensure their program is in compliance with the *Day Care Act and Regulations* and Standards and may do so with the assistance of the Family Home Consultant. The primary duties of the care providers are to:

- provide child care in their own residence;
- ensure the health, safety and well being of the children in their care;
- promote positive healthy development in the children;
- provide a developmentally appropriate program to the children in their care;
- ensure that they and their home meet and will continue to meet the requirements of:
 - *the Act* and its *Regulations*;
 - the service agreement to be made between the care provider and the agency; and
 - any provincial standards or guidelines requested by the Minister.
- maintain records for the review of the Family Home Consultant and the Department of Community Services Licensing Officer and Early Childhood Development Consultant in accordance with the regulations and standards; and
- be available for monthly visits from the Family Home Consultants and annual inspections by the agency and/or Department of Community Services licensing staff.

Request for a Proposal Package

Applicants that are interested in submitting a proposal to operate a Family Home Day Care agency can obtain the proposal package in two ways:

- 1) Contact their Regional Office, provide a name and mailing address and the Department of Community Services will send out the package; or
- 2) Go to the Department of Community Services website to download the documents at <http://gov.ns.ca/coms/families/provider/FamilyHomeDayCare.html>

Proposal Submission Process

The documentation required to obtain a license to operate a Family Home Day Care agency are to be submitted to the Department in two steps:

- The Family Home Day Care Agency Proposal Recommendation Form and the Family Home Day Care Program proposal are required to be submitted for proposal approval.
- Upon the approval of the proposal, the applicant will be required to submit the remaining required documentation (referred to as “supplementary information”).
- Upon the review and approval of the supplementary information, the applicant will receive an Application for a License. This form will identify additional information that must be provided in order to receive a license.

Step 1 – Family Home Day Care Proposal Recommendation Form and Proposal

The first step of the proposal process is to submit the Family Home Day Care Proposal Recommendation form (proposal form) and the proposal to the Regional Office in your area.

Proposal Form

The applicant will be required to complete the ‘Family Home Day Care Agency Proposal Recommendation’ form that includes the following:

- 1) Applicant Profile Information such as the applicant’s business name as approved by the Nova Scotia Registry of Joint Stock Companies, the business number assigned by the Canada Revenue Agency, contact name, addresses, telephone and fax numbers;
- 2) A checklist that itemizes each of the requirements for the Family Home Day Care Agency Proposal, that must be checked off as included in the submitted proposal. Each item must be included along with the checklist;
- 3) A list of the Supplementary Information for Step 2 that is required to complete the form.
This information will only be required if the applicant receives proposal approval. This list is on the proposal form to ensure the applicant is aware of all the supplementary information required in order to be licensed.

The proposal form must be completed, signed, and submitted with the proposal.

Proposal

The proposal process will require the development of a proposal which describes the applicant’s proposed Family Home Day Care program, financial viability, and an assessment of the community need for a Family Home Day Care agency.

Applicants must follow the steps outlined in the 'Guide to Starting a Family Home Day Care Agency' to complete the proposal process, and prepare the required documents and supplementary information.

Proposal must include the following information to be considered for approval:

- a description of the proposed program and services to be provided including the child development philosophy on which the program will be based;
- the business case for the program, including a community needs assessment;
- a one year estimated operating budget of expected revenues and expenditures that demonstrates the applicant's financial viability;
- a description of the duties and responsibilities of the applicant and all staff associated with the program, including family home consultants and care providers;
- a plan for professional development of all staff associated with the program, including family home consultants and care providers;
- a description of the process to be used for approving family home day care under Section 15 of the *Day Care Regulations*;
- a sample of the service agreement to be used between the applicant and a care provider,
- a description of the annual assessment process for monitoring care providers and family day care homes under its management;
- a statement describing how each child's records will be maintained; and
- a description of the proposed agency site for delivering the program.

Please note:

In order to ensure that the proposal contains all the sufficient information, the applicant is to follow the Proposal Completeness Checklist when developing the proposal. This checklist is attached as Appendix R in the 'Guide to Starting a Family Home Day Care Agency'. The Proposal Completeness Checklist will be used by the Early Childhood Development Consultant (ECDC) to review and evaluate each proposal.

If the applicant is applying for funding, the budget must be submitted in the template form that is provided by the Department as part of the proposal package.

Step 2 - Supplementary Information

The second step of the proposal process is only applicable for applicants that have received proposal approval. A Proposal Approval letter will be sent to the applicant and will request the supplementary information, which includes:

- a copy of each of the following:
 - the applicant's personnel and management policy;
 - the applicant's parent handbook;
 - the applicant's behaviour guidance policy;
 - the applicant's care provider handbook;

Please note:

In order to ensure that the above supplementary information contains all the sufficient information, the applicant is to follow the 'Guide to Starting a Family Home Day Care Agency'.

- proof that the proposed agency site complies with the regulations, orders and directions of the appropriate authority respecting fire, safety, health and sanitary requirements and any municipal bylaws;
- the results of all required criminal record and child abuse register checks;
- proof of commercial general liability insurance, or a statement from an insurer of an intention to provide the insurance;
- any information required by the Minister relating to the proposal.

Contact Information and Assistance with the Proposal

Applicants are asked to contact the regional office of the Department of Community Services for further information, if required. A list of offices and contact information is included in the proposal package. It can also be found on the Department of Community Services website at <http://gov.ns.ca/coms/families/provider/FamilyHomeDayCare.html>

If an applicant has received a proposal package by mail, their Early Childhood Development Consultant (ECDC) will be identified. If an applicant downloaded the documents from the website they are required to call their regional office and an ECDC will be assigned at that time.

Every applicant is encouraged to work with their assigned ECDC to complete the proposal and the supporting documents to meet the required standards of the submissions.

Submission of the Proposal Package

Applicants must ensure that all documentation required is submitted in full, i.e., all documents must be forwarded in order to be considered. Electronic forms will not be accepted. The proposal form, proposal and all supplementary information must be completed to be considered for licensing.

The applicant should create a copy of the proposal form, proposal and supporting documentation for their own records.

Completed proposal forms and proposals can be dropped off, faxed, or mailed to, the Department of Community Services regional office addressed to the attention of the ECDC.

Proposal Review and Approval Process

Review and Proposal Approval

Once the proposal form and proposal are received by the ECDC, they will be checked to confirm that the proposal form is complete and the proposal contains all of the required information.

If the proposal form or proposal is not complete, the applicant will be contacted by the ECDC to discuss the deficiencies or resubmit the incomplete documents if needed.

Each proposal will be evaluated based on a defined set of:

- financial evaluation criteria;
- program evaluation criteria; and
- needs based evaluation criteria.

Financial Evaluation Criteria

The proposal that is to accompany the proposal form includes a one year estimate of the operating budget identifying expected expenditures. The intent of this estimated budget is to demonstrate the financial viability and stability of the proposed agency. The operating budget must demonstrate to the Department that the applicant can provide the required services within their budget.

A required budget template is included in the 'Guide to Starting a Family Home Day Care Agency' and on the website at

<http://gov.ns.ca/coms/families/provider/FamilyHomeDayCare.html>

The budget must be reasonable and the applicant must appear to have the capacity to continue operations and to support the number of homes planned.

Program Evaluation Criteria

The applicant's proposed Family Home Day Care program will be reviewed based on the information submitted in the proposal (for details refer to the Proposal Submission Process section of this document, under the Proposal for a Family Home Day Care Program).

The proposed program will be reviewed and evaluated based on the Proposal Completeness Checklist. (Appendix R - 'Guide to Starting a Family Home Day Care Agency').

Needs Based Evaluation Criteria

In order for the proposal to be approved, the applicant must demonstrate that there is a need for a family home day care in a particular community.

The proposal will be evaluated, and compared to other proposals based on the need for family home day care within the proposed geographic operating areas of the agency. As part of the proposal, the applicant is required to submit a business case which will justify the requirement of an agency in that community, including supporting information that will demonstrate there is a need for child care in the home.

To demonstrate the need, the applicant should refer to the 'Guide to Starting a Family Home Day Care Agency'- Assessing the Community Needs and the Proposal Completeness Checklist (Appendix R).

Notification of Approval or Refusal

Approval

There are two steps to the proposal process; therefore applicants that are approved are notified by the Department of Community Services in two steps:

1. After Step 1, applicants that have their proposals approved will be notified by the Department by way of a *Proposal Approval letter*. The letter will also indicate the amount of the funding that the applicants will be approved for. These applicants will be advised to submit the supplementary information as required and will be provided a copy of the Funding Agreement.
2. After Step 2, if all the supplementary information is received as requested, and approved by the ECDC, the applicant will submit and obtain approval for an Application for a License.

The history of compliance with the Nova Scotia *Day Care Act* R.S., c. 120, s. 1 and *Regulations* is evaluated for each licensed child care operator. The proposal will be refused if the applicant has a history of Chronic Non-Compliance. The applicant may re-apply if they are in compliance for six months from the date of refusal or as specified by the Director.

Issue of License Process

Applicants that have their proposal approved would have received a proposal approval letter from the Department of Community Services. This proposal approval letter will identify the ECDC whom the applicant may contact in providing the remaining supplementary information required to obtain a license to operate a Family Home Day Care Agency.

The Proposal Approval Letter is the assurance to the applicant that they have received approval to continue the licensing process. This letter will also identify the funding the agency may be eligible to receive. The application for a license will only be approved and a license issued on the following conditions:

- all required supplementary information is in order;
- there are no outstanding license violations for any facility associated with the application;
- the applicant is eligible.

Supplementary Information

The applicant is required to submit the supplementary information to the assigned ECDC. The ECDC will check the documentation to ensure it is completed properly and that it contains all of the required information for the license. If the supplementary information is not in order, the applicant will be contacted for the missing information or for any clarifications.

If an applicant has any of the supplementary information on file for another facility license within the Department of Community Services that may be applicable to the Family Home Day Care program, these documents may not be required to be submitted again. It will be at the discretion of the ECDC, the Coordinator, Family Home Day Care or the Director to require that information be re-submitted.

Family Home Day Care Agency Funding

Funding may be available for applicants who receive a license to operate a Family Home Day Care Agency. The Family Home Day Care funding will include a Family Home Day Care Start up Grant, and a Family Home Day Care Operating Grant.

All care providers must be paid directly by parents. The agency must not collect or retain any money from the care providers' fees, which includes parent fees, surcharges or subsidy payments. No funds will be exchanged between the agency and the care provider, except for subsidy payments, where the agency will distribute the full subsidy portions to the care provider on behalf of the Department.

Family Home Day Care Start Up Grant

If a new agency is approved for funding, they will receive a Family Home Day Care Start up Grant to offset expenses directly related to the start up costs for the agency.

The Start Up Grant will provide a **one time** fixed amount to be used by the agency to pay for advertising, equipment, and legal fees incurred to set up the agency.

The Family Home Day Care Start Up Grant is \$5,000.00.

Family Home Day Care Operating Grant

The Family Home Day Care Operating Grant is an **annual grant** intended to support the agency in meeting the costs of salary and benefits to agency staff, transportation, education, program material, and fixed costs. Fixed costs include rent & utilities, insurance, phone, equipment, advertising and administration costs.

Agencies requesting funding from the Department must submit a budget each year. The budget must demonstrate the expected expenses for the number of homes they plan to support. Refer to the Budget Process for details.

Agencies that did not receive funding for the previous year may apply for funding at the annual budget submission time. Refer to Budget Process.

Each year, the amount of funding available to the Family Home Day Care Program will be subject to the government's approved budget.

Family Home Day Care Operating Grant Criteria - Distribution

All agencies receiving the Family Home Day Care Operating Grant are expected to use the funding for predefined costs of salary and benefits to agency staff, transportation, education (tuition cost and materials only), program materials & equipment and fixed costs.

The initial budget that an agency submits to the Department should clearly identify that the distribution of the funding as per the distribution criteria will be met for the fiscal year. If a review of the initial budget shows that the distribution criteria is not met, the agency will be required to re-submit the budget with the proper distribution criteria.

Please refer to the Accountability Process for additional funding conditions.

Budget Process

At proposal time and on an annual basis, each Family Home Day Care agency will submit a budget that details the expected number of homes and the associated expenses required to manage the agency for the next fiscal year.

A budget template with the instructions is available at:

<http://gov.ns.ca/coms/families/provider/FamilyHomeDayCare.html> or from the Regional Office. The budget will not be accepted if not presented in the provided format.

Once approved, the FHDC operating grant will be calculated on an annual basis and distributed in quarterly instalments.

To qualify for the Family Home Day Care Operating Grant, the agencies will be required to:

- Operate with a fiscal year of April 1st to March 31st.
- Submit a budget to the Department on or before each January 31st that details the expenses to operate at least 4 homes. If the budget is submitted after January 31st, funding may be delayed.
- Segregate the expenses and revenues of their Family Home Day Care operations from other programs within their organization.
- Submit the Family Home Day Care Annual Report (template will be provided) to the Department by July 31st annually.
- Provide the Department with financial statements that are at a minimum at a 'review engagement' level, within 120 days of its fiscal year end.

A commercial FHDC agency will be eligible for a profit margin. The amounts are specified in the following chart and will decrease as the number of homes increases. The Department will calculate the profit amount after the budget submitted by the agency has been approved. The profit allowance will be added proportionally to each quarterly disbursement.

Number of Homes	Annual Amount per Home
4-8 homes	\$300.00
9-15 homes	\$250.00
16-19 homes	\$200.00
20-20+ homes	\$150.00

Example: Agency that has 16 homes, will receive \$4,350.00 with the following break down:

8 x \$300.00 = \$2,400.00 and

7 x \$250.00 = \$1,750.00 and

1 x \$200.00 = \$200.00

Total = \$4,350.00

The budget process would allow a commercial agency to have this surplus; however upon evaluation of the actuals, any surplus above this allowance will be deducted from the next year's funding.

A non profit agency will not be eligible for a profit.

The agency will be provided with an established chart of accounts for comparison and monitoring purposes (Appendix B) that lists the eligible expenses under the Family Home Day Care program. It provides a list of fixed costs that are eligible as part of the Family Home Day Care Operating Grant. This chart will provide consistency, accuracy and facilitate monitoring for both the agency and the Department.

Optional Mid-Year Budget Process

In order to provide agencies the opportunity to grow, the Department will allow an agency to request additional funding mid-year if the agency has reached the number of homes in their original budget and expect that they will incur additional expenses as a result of acquiring more homes by the end of the fiscal year.

If an agency has reached their budgeted number of homes by the end of August each year and expects that they will have more homes by year-end, they must submit a completed budget template to cover the extra expenses required for the additional homes only. The Department must receive the budget request for additional funding by September 15, in order to have an increase in funding considered.

The Department will review the agency's request for additional funding and will only consider additional funding for an agency that has reached the number of homes in their original budget and expect to increase their number of homes before the end of the fiscal year.

Once the Department approves the additional funding, the agency will receive the funding pro-rated for the remaining number of months, as part of their 3rd quarter disbursement.

It should be noted that once the agency has had additional funding approved as part of the Mid-Year Budget Process, the agency will be subject to the evaluation of the increased number of budgeted homes at the year-end review process.

Care Provider Training Amount

If an agency receives the Family Home Day Care Operating Grant, it is eligible for up to an amount of **\$500.00** per care provider to cover the cost of training (tuition cost and materials only) for care providers throughout the year.

The agency must include the Care Provider training amount as an expense when submitting their annual budget. This training amount is for care provider training provided by an external contractor only.

The training must cover topics directly related to the care of children, including but not limited to nutrition, behaviour guidance, indoor and outdoor programming for infants, toddlers, preschoolers, and school age children.

Agencies must spend their Care Provider training amount annually or the Department will recover the ineligible expense. The adjustment will be made to the agency's operating grant proportionally from each quarterly installment.

The agency should keep a record of the training provided to each care provider.

Urgent Capital Repairs

The Department shall consider funding for repairs it considers to be of an urgent nature. Urgent repairs have the following characteristics:

- Cost can not be reasonably paid for from the annual funding allocation for repairs and maintenance;
- The repair is of a one time nature and is not recurring; and
- Excludes normal equipment replacement or other expenses that could or should have been planned for; or
- Are needed to maintain fire and life safety.

When a repair of an urgent nature is identified, it may be funded, at the Department's discretion. Please contact your ECDC to request assistance with this situation.

The following costs will be ineligible for capital repairs funding:

- Any costs for work incurred prior to approval;
- Salaries and benefits, staff training and any professional development activities;
- Overhead and ongoing operating costs (e.g., utility costs or insurance);
- Costs for work on premises that the operator doesn't own and where no long term agreement exists;
- Any work that decreases opportunities to implement developmentally appropriate practices (i.e., best practices);
- Work on any areas not used exclusively for delivery of child care programs;
- Any alteration that significantly affects the care of the children that has not received approval of the Minister as per Section 10, **Alteration of Facility**, as per the Nova Scotia *Day Care Act. R.S., c. 120, s. 1. And Regulations*.

Long Term Debt Costs (Loans)

The Department shall consider funding the repayment of long term debt as an expense item in the annual operating budget under the following conditions:

- The funding is to be borrowed for the purpose of asset improvement;
- The funding requirement is "pre-approved" by the Department;
- The loan agreement is "pre-approved" by the Department;
- The agency provides the Department with all documentation related to the loan agreement.

An agency must contact their ECDC in advance of entering into any loan agreements.

Disbursement of Funds Process

Family Home Day Care Start up Grant

Funding for the Start Up Grant will be disbursed the first month of the license; there will be one installment released the first business day of the month after the license is issued.

Family Home Day Care Operating Grant

The disbursement of funds can begin once the applicant has been issued a license to operate a Family Home Day Care agency.

Funding will be calculated as of the issue date of the license and may be adjusted to provide a portion of the annual funding, depending on when the license was issued.

For example, if an agency was licensed effective October 20th, the agency is eligible for funding effective October 20th to the end of that fiscal year.

Prorated funding amounts will be calculated for licenses that are granted after the start of the fiscal year.

For the existing agencies, funding will be calculated based on an approved annual budget.

Funding will be disbursed quarterly based on the government fiscal year (1 April – 31 March). Funding installments will be paid the first business day of each quarter.

Existing Government Funded Facilities

Organizations or Agencies that receive funding from government sources, will be assessed on an individual basis to ensure that funding for Family Home Day Care services does not duplicate funding for those programs already in place and similar in nature. This assessment and review may result in a funding adjustment.

Eligible Agencies

Only licensed Family Home Day Care agencies will receive funding.

An agency will be considered ineligible for funding if:

- Their license to operate an agency is cancelled or not renewed;
- They enter bankruptcy, trustee appointment or;
- They cease operations or;
- They have a history of Chronic Non-Compliance.

All licensed agencies must be in compliance with:

- The *Day Care Act and Regulations*;
- *Day Care Regulations*;
- The Family Home Day Care Program Terms and Conditions; and
- The Family Home Day Care Funding Agreement between the agency and the Department of Community Services.

Funding Agreement

A Funding Agreement provides the details of the agreement between the agency and the Department of Community Services. Should the applicant need clarification about the terms of the agreement, they should contact their ECDC. It is recommended that applicants consult their legal counsel before signing the agreement. It is a binding legal contract between the agency and the Department of Community Services. This document must be signed and returned to the Department before funding is disbursed.

Accountability Process

The agency will provide the Department with a Family Home Day Care Annual Report (template provided) that will be used to evaluate the agency's use of funds. A reconciliation process will be performed to determine if the agency is subject to any funding adjustments.

If an agency is receiving the Family Home Day Care Operating Grant funding, it is required to keep accurate and detailed financial records in accordance with generally accepted accounting principles relating to the funding provided. The agency will provide the Department access to the records and maintain all supporting documentation that relates to the revenue and expenses for the Family Home Day Care Agency.

Reconciliation Process

There will be an annual reconciliation process to review each agency's Family Home Day Care Annual Report. The reconciliation will include a detailed evaluation of the agency's financial information and program status.

The financial statements submitted will be evaluated on reasonable and customary expenses required to operate a Family Home Day Care. If an agency becomes licensed part way through the year, the agency will be assessed accordingly.

Financial Information

On July 31st each year, the agency will provide the Department with their financial statements from the previous fiscal year.

The Department will review the financial statements and review the utilization of funding by comparing the agency's actual expenses from financial statements to the expenses outlined in the agency's original budget. The agency's expenses are subject to the approval of the Department and the expenses will be reviewed line by line as part of the reconciliation process. The Department reserves the right to deny an expense.

Please identify the start-up grant expenses as a separate line item in your financial statements.

The Department will review the following conditions annually.

➤ **Surplus Profit**

At the time of the financial statement annual review, each Family Home Day Care Agency that has received more funding than the actual amount expensed for the fiscal year, will be subject to recovery by the Department for the difference in the amount presented in the budget to the amount expensed.

➤ **Ineligible Expenses**

If an agency has expensed items that are not identified under the Family Home Day Care Chart of Accounts, the amount expensed may be deemed ineligible. The agency may be subject to recovery of these expenses by the Department and the adjustment will be made to the agency's operating grant proportionally from each quarterly installment.

➤ **Excess Expenses**

If an agency has expensed items that are not considered by the Department to be reasonable and customary to the operation of a Family Home Day Care, they may be deemed ineligible. The agency may be subject to recovery of these expenses by the Department and the adjustment will be made to the agency's operating grant proportionally from each quarterly installment.

➤ **Distribution Criteria**

The agency will be required to demonstrate its compliance with the grant distribution criteria as described in the Terms and Conditions. If a review of the financial statements identify that the distribution criteria was not met, the agency will provide the Department with an explanation as to why the criteria was not met and may be subject to recovery of the amount not spent correctly. The adjustment will be made to the agency's operating grant proportionally from each quarterly installment.

➤ **Number of Care Providers – Variance of Budget to Actual**

If an agency has a variance of more than one care provider less at the end of the fiscal year than their budgeted number of homes, the agency may be subject to recovery by the Department. The annual adjustment of \$2,000 per home variance will be made to the agency's operating grant proportionally from each quarterly installment.

➤ **Assessment for Agencies with Less than Four Family Day Care Homes**

Any agency that has less than four approved family day care homes will be subjected to operational assessments. If an agency cannot recruit four approved family day care homes by the end of the fiscal year, funding could be discontinued.

➤ **Other Expenses**

For reporting purposes, an agency must separate the expenses associated with any specific grants or funding streams and identify these expenses as separate line items in the

financial statements. (i.e.: Start-up grant expenses should be identified as a specific line item).

Deficit

It is an agency's responsibility to manage their annual budget and there will not be any additional funds provided to the agency in the case of a budget deficit at year end.

Adjustments

After the Department completes the reconciliation process; it will provide all agencies, subject to adjustments, a report explaining the adjustments and the change to their quarterly disbursements as a result of the adjustments.

Program Status

Each agency will submit to the Department a report annually on July 31st that provides information on program status of the homes supported by the family home day care agency. A template of the care provider annual report will be available to the agency.

The Department will review the report to compare the number of homes that were presented in the original budget to the number of homes that are in operation as of March 31st.

If an agency ceases operation, at any point during the contracted period, the Department will perform a review of the grant distribution to recover any monies owing.

The reconciliation process will include family day care homes that close temporarily (i.e. summer), for a maximum of four months and for no more than one period per year, as approved family day care homes. These family day care homes must be specifically identified as such on the Annual Family Home Day Care Report.

Family Home Day Care Evaluation

For evaluation purposes, all Family Home Day Care agencies will be required to:

- Participate fully in evaluations of the Family Home Day Care Startup and Operating Grants and provide any information requested by the Department in respect of these evaluations;
- Ensure agency staff are available to participate in the evaluation process at mutually agreeable times during the term of this contract or for up to seven years after the end of the fiscal year in which the license expires or the grant funding expires, whichever is longer.

Appendix A – Definitions

“**Act**” -- means the *Day Care Act*.

“**Agency**” -- means a person licensed to manage a family home day care program.

“**Family Home Day Care Program**” -- means a day care program that is provided by a care provider in the care provider’s home.

“**Budget Template**” – means a pre-formatted document to guide the agency in creating their operating budget and Annual Report.

“**Care Provider**” -- means a person who is approved by an agency to provide a family home day care program in the person’s home.

“**Chart of Accounts**” – means the list of expense items used for budgeting and to keep accurate accounting records (see Appendix B).

“**DCS**” – means the Department of Community Services, the department responsible for Early Childhood Development Services Programs.

“**Department**” – means the Department of Community Services, its servants, employees and agents;

“**Director**” -- means the Director of Early Childhood Development Services at the Department of Community Services.

“**ECDC**” – means Early Childhood Development Consultant. ECDC provides regional expertise in the planning, development and implementation of early childhood development programs and initiatives.

“**Family Day Care Home**” – means a home in which a family home day care program is provided.

“**Family Home Consultant**” -- means a person hired by an agency to provide services to care providers.

“**Fiscal Year**” – means the provincial government business year which runs for the twelve months from April 1st of any given year until March 31st of the following year.

“**Infant**” – means a child who is younger than 18 months old.

“Licensing Officer” – means an employee of the Department of Community Services responsible for conducting inspections to ensure a facility or home meets the requirements as detailed in the applicable *Act* and *Regulations*.

“Operate” -- includes manage.

“Parent” -- includes a guardian, foster parent and any other person having the care and custody of a child.

“Preschooler” – means a child who is 36 months old or older and is not attending school.

“School-age child” – means a child who is attending school and is not older than 12 on December 31 of the school year.

Appendix B – Family Home Day Care Chart of Accounts

Employment Wages

Consultant Wages
Admin Wages
Bookkeeper Wages

Benefits

EI Amount
CPP Amount
WCB Amount
Health Medical Amount
Dental Amount
Group Life Insurance Amount
ADD Amount
Dependent Life Amount
Lump Benefit Amount
Other Benefits

Education

Consultant Training
Care Provider Training

Program Resources

Program Equipment
Program Materials

Transportation

Vehicle Expense
Vehicle Maintenance
Mileage – Consultant
Mileage - Playgroups

Fixed Costs

Accounting Fees
Administration costs
Advertising
Bank Charges
Cleaning Supplies

Computer Maintenance
Courier Services
Current debt costs
Debt financing costs
Depreciation
Dues/fees
Electricity
Equipment Rental/Repair
Fire Safety
Food Costs
Furnishings
Garbage Disposal
General Expenses
Heat/Furnace Fuel
HST Expense
Insurance
Interest Charges
Internet
Laundry Chemicals
Legal Fees
Liability Insurance
Long Term Debt Costs
Maintenance & Cleaning
Membership Dues and Fees
Miscellaneous
Office Supplies
Office Equipment
Other Supplies
Paint/Maintenance
Paper
Pest Control
Postage
Professional fees
Propane
Property Taxes
Public Relations
Rent
Sewage
Social Activities
Small Tools
Snow Removal
Staff Recognition

Telephone/Cell Phone
Utilities
Volunteer Recognition
Water