

**2022 Licensed Home Child Care (LHCC) Base Funding  
QUESTIONS & ANSWERS**

**Updated: May 30, 2022**

This Q&A document has been updated to reflect Provincial Health and Safety changes announced in March 2022 and other policy changes due to the announcement of the Canada-Wide Early Learning and Child Care Agreement (CWELCC) in March 2022.

Refer to the [2022 LHCC Base Funding Guideline](#) for more information.

If you have additional questions, please email: [EarlyYearsSystemDivision@peelregion.ca](mailto:EarlyYearsSystemDivision@peelregion.ca) or contact your Early Years Specialist (EYS).

This document will continue to be updated and sent out as needed.

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## GENERAL

### 1. What are the components of the 2022 LHCC Base Funding model?

In 2022, eligible LHCC agencies will receive combined funding through the LHCC Base Funding model for the following components:

- Fee Reduction Operating Grant (FROG)
- Payments to Home Child Care Providers
- Payments to Home Visitors and Supervisors – Staff Wages & Benefits (SWB)
- Historical Funding (Note: Historical Funding is available for eligible agencies only)
- Base Operating/Administration Funding

Refer to the [2022 LHCC Base Funding Guideline](#) for the eligible expenses and funding requirements for each of the components.

### 2. How was my agency funding allocation calculated for 2022?

Please refer to Appendix E of the [2022 LHCC Base Funding Guideline](#) for information on the Region's methodology to calculate the Base Funding allocation.

### 3. Is Special Purpose funding being provided to LHCC agencies?

Beginning in 2021, the Region allowed LHCC agencies the flexibility to use their Base Funding to purchase items previously covered through Special Purpose funding (e.g. play based materials and program supplies) in order to streamline and reduce duplication across funding streams. **Note:** This is no longer "claims-based" or "application-based" and LHCC agencies will be required to submit receipts/invoices if requested through the reconciliation process. Refer to Appendix C of the [2022 LHCC Base Funding Guideline](#) for updated list of eligible expenses and updated maximum caps.

### 4. Why are consumables not allowed under Special Purpose type expenses to LHCC agencies?

The same items that were eligible under the previous Special Purpose funding program continue to be eligible through LHCC Base Funding and therefore non-consumable items are eligible.

**Note:** due to the COVID-related supports provided, agencies may use their Base Funding through the "COVID Supports for Fixed Operating Expenses" towards consumable program supplies.

### 5. How did the Region arrive at the maximum caps for the Special Purpose eligible expenses?

We conducted research to update the caps on eligible Special Purpose expenses. **Note:** the caps may not cover 100% of your eligible items. In cases where there is a cap, and the amount you purchased the item is more, you are expected to cover the difference with your own revenue.

### 6. If there is leftover funding for an LHCC Base Funding component, can it be used to support another funding component interchangeably?

Normally, unspent funding in the different LHCC Base Funding components cannot be used interchangeably to support other components, with exception of the Base Operating/Admin Funding component where leftover funding in this component can be used to further enhance staff wages/benefits and/or payments to providers, based on the agency's discretion.

However, the Region is allowing LHCC agencies to use their underspending in 2022 from any of their Base Funding components to support COVID-related expenses. Refer to the [2022 LHCC Base Funding Guideline](#). **Note:** Any unspent funding must be returned to the Region.

## FEE REDUCTION OPERATING GRANT (FROG)

### 7. What are the requirements for the FROG funding?

The FROG is operating funding for eligible LHCC agencies to reduce their market fees for agency enrolled full-fee children by \$6.00 per day, for both full-day care and part-day care. Agencies must:

- Reduce their market fees by \$6.00 per day and share their revised market rate schedule.
- Share the Region's *Parent Notice* by **December 1, 2021** with full-fee families to communicate that the child care fee reduction is available beginning January 2022.

## PAYMENTS TO HOME CHILD CARE (HCC) PROVIDERS

### 8. How should Base Funding be issued if there is a reduced number of homes?

If you are experiencing a reduced number of active homes (compared to January 2020), you must reduce your monthly allocation accordingly before you allocate payments to HCC providers.

Example: If in January 2022, 50% of providers are working/caring for children (as compared to January 2020), you must reduce your monthly Base Funding provider payment allocation by 50% and issue payments using your Base Funding methodology.

**Note:** You may have underspending in this component which can be used to support eligible COVID expenses. Any unspent funding will be recovered as part of the Region's reconciliation.

### 9. If a home provider is not available and back up care is used, how is Base Funding issued?

LHCC agencies may use back up care if the regular home provider is not available to care. In this case, Base Funding cannot be issued to the regular provider. Federal supports are available for self-employed individuals if the home provider cannot work due to COVID.

## STAFF WAGES AND BENEFITS (SWB)

### 10. How should funding be distributed if there are increases in staff complement?

You should inform your EYS if there is an increase in staff complement as soon as the change is known and report the change(s) to the staff complement through the In-Year Reporting Process.

**Note:** Increases to staff complement will **not** result in an increase in SWB funding.

### 11. How should funding be distributed if there is a decrease in staff complement?

If you experience a decrease in staff complement and/or expect to have leftover funding by the end of the year, you must **not** redistribute to existing staff. **Note:** In 2022 underspending in any Base Funding component may be used to support eligible COVID expenses. Unspent funding will be recovered through reconciliation if it is not used to support eligible COVID-19 expenses.

### 12. What staff positions are eligible to receive SWB?

The Home Visitor position is eligible for SWB. Starting **July 1, 2022**, we are aligning the eligible positions for SWB with the provincial Wage Enhancement Grant (WEG) to better meet funding

objectives to retain and recruit qualified staff in the system. This means, beginning July 1, supervisors will **not** be eligible for SWB unless they spend at least 25% of their time working in the Home Visitor position, and would be eligible to receive SWB for the hours worked in the position.

## **HISTORICAL FUNDING (*eligible agencies only*)**

### **13. What staff positions are eligible to receive Historical Funding?**

The following staff positions have previously been eligible to receive Historical Funding:

- Home Visitors
- Administrators
- HCC Supervisors
- Clerical Staff

**Note:** Starting **July 1, 2022**, supervisors and non-program positions (administrators and clerical staff) will not be eligible for Historical Funding.

### **14. Why are the supervisor and non-program positions (administrators and clerical staff) no longer eligible for Historical Funding as of July 1, 2022?**

We are aligning the list of eligible positions for Historical Funding with the provincial Wage Enhancement Grant (WEG). This change is happening so that the use of our early years and child care funding better meets our system priorities and the objective of the funding which is to retain and recruit qualified staff in the system.

### **15. If staff in the supervisor position or non-program position is an RECE and covers the Home Visitor, are they eligible?**

In alignment with WEG, if the supervisor or non program position spends at least 25% of their time working in the Home Visitor position (which is approved on the agency's licence), they would be eligible to receive Historical Funding only for the hours worked in the Home Visitor position.

## **BASE OPERATING/ADMINISTRATION FUNDING**

### **16. How was the Base Operating/Administration Funding calculated?**

The Base Funding admin is calculated as 10% of an agency's total Base funding amount (excluding the Historical Funding). Beginning 2021, the Region also included the WEG/HCCCEG administration funding into Base Funding. This combined administration funding is issued through the Base Operating/Admin component. Review the [2022 LHCC Base Funding Guideline](#) to understand the eligible expenses in this component.

**Note:** You must only claim expenses for the licensed child care portion of your business and only for home child care spaces/operations located in Peel.

## **COVID SUPPORTS AND EXPENSES**

### **17. Does the 2022 LHCC Base Funding cover COVID-related expenses?**

Yes, due to the impacts of the COVID pandemic on child care, the Region is continuing to support the viability of home child care to safely serve families. From January 1 to December 31, 2022, LHCC agencies can use the underspending from any of their Base Funding components to support COVID-related expenses (see [2022 LHCC Base Funding Guideline](#)).

## 18. How should I prioritize my Base Funding on COVID expenses?

Due to new Provincial Health and Safety guidance released in March 2022, you are no longer required to prioritize how you use your Base Funding on COVID expense categories.

## 19. What changes have been made to the COVID supports in the 2022 Base Funding Guideline?

Key changes include:

- **PPE:** The items that the Province will support have been added to the PPE list. You should continue exhausting PPE items from the Province before using Base Funding.
- **Child Absenteeism:** From April 1 to December 31, 2022, you can decide how many days to support in your child absenteeism policy if children do not pass provincial self-screening. Any changes you make to your Child Absenteeism Policy must be communicated to families. If you periodically change your policy we recommend that you notify families at least one week before. You must also communicate to your families if you are not supporting a Child Absenteeism Policy.
- **Recruitment Costs (NEW):** this is a new expense category that has been added to support eligible recruitment activities, retroactive to January 1, 2022.



UPDATE

Please refer to the [2022 LHCC Base Funding Guideline](#) for more information on the changes and requirements regarding COVID supports.

## 20. Is there an additional COVID top-up to the Base Funding allocation?

No, at this time we anticipate that LHCC agencies will have underspending in the components of FROG and payment to provider (due to lower enrolment and reduced number of active homes) as well in the SWB and Historical Funding component (due to changes in position eligibility). The underspending from any Base Funding component may be used to support eligible COVID expenses in the 2022 Base Funding guideline.

We will assess future LHCC funding needs based on your **In-Year Report due July 31, 2022**.

## 21. How can Base Funding be used if the home child care provider fails screening?

If the home provider fails screening and cannot care for children, the children should be relocated if they still require care. However, if the children are not passing provincial screening, then these should be considered individual absences which are eligible under the child absenteeism policy.

**Note:** There is currently no public health or ministry guideline that requires home(s) to close due to COVID in child care settings. As such, it is the Region's expectation that agencies make every effort to avoid service disruptions to families. Home providers that cannot care for children or voluntary closure of the home, the closure days must **not** be counted under the child absenteeism policy.

**22. Can we have both staff absenteeism policy AND a wellness program?**

Yes. We ask that you notify your staff about your policy. As federal COVID funding supports ended on May 7, 2022, we encourage you to offer these policies using your Base Funding to support staff.

**23. Can I create a staff absenteeism policy for January to March 2022 and re-evaluate after?**

This policy is optional, and it is up to you to determine if you will offer a staff absenteeism/wellness days policy. You must communicate the duration of your policy and the qualifying reasons to your staff as per the Base Funding guideline.

## **RECRUITMENT COSTS – HOME VISITORS AND HOME CHILD CARE PROVIDERS**

**24. Why is the Region adding an expense category to support Recruitment costs?**

We have heard that the COVID-19 pandemic created more challenges with recruitment, resulting in increased costs. To support you, we've added a new expense to support recruitment activities. Any hours used to support these functions can be supported with underspending in your Base funding.

**25. Can the new Recruitment Costs expense category be used towards a third-party (an external recruitment agency/consultant) who supports the hiring process?**

Yes. You may use this funding for professional and consulting fees of recruiters/recruitment companies. **Note:** This cost must be reported only **once**. You **cannot** claim these costs in both the Recruitment Costs expense category and the Base Funding Administration component.

**26. Would online job postings (through Indeed or other recruitment platforms) be eligible?**

Yes. Online job postings are eligible as noted in the Recruitment Costs section of the Base Funding Guideline "costs for job posting ads with an external company or post-secondary institution". Documentation may be requested.

**27. Can both internal Human Resources (HR) staff recruitment time and Home Visitor/Supervisor recruitment time be claimed through the Recruitment Costs category?**

Yes, you may use underspending in your Base Funding for HR staff recruitment time on licensed child care positions (home visitor and home child care provider). **Note:** HR staff's recruitment time cannot be claimed in both the Base Funding Administration component and the Recruitment Costs expense category.

**28. Is advertising for child enrolment, such as signage and registration eligible?**

No. The Recruitment Costs expense category is only for costs for the recruitment time on licensed positions of home visitors and home providers for licensed child care.

## **ONE-TIME AUDITED FINANCIAL STATEMENTS/BOOKKEEPING AND ACCOUNTING**

**29. Can the audited financial statements/bookkeeping costs for 2022 can be accrued?**

No, in 2022, one-time audited financial statements, bookkeeping/accounting cannot be accrued.

### **30. What reporting requirements are associated with LHCC Base Funding?**

In 2022, agencies must submit:

- One In-Year Report (due **July 31, 2022**)
- Final Reconciliation Report (due **January 31, 2023**)

You must use the Region's ***LHCC Base Funding In-Year Report and Reconciliation*** template to submit the In-Year Report and Final Reconciliation Report through the GovGrants technology

We reserve the right to conduct check-ins at any time to confirm the funding has been used for its intended purpose and to support home child care operations in Peel. Review the sections Reporting, Reconciliation, Audit/Recoveries in the [2022 LHCC Base Funding Guideline](#).

### **31. Do all invoices with amounts over \$15,000 mandatory to submit?**

No, agencies do **not** need to submit invoices/receipts for Special Purpose expenses unless the Region requests them. If a Special Purpose invoice is requested, you must provide it within the specified timeframe, or the expense will be considered ineligible.

**NOTE:** Invoices for audited financial statements and accounting/bookkeeping expenses over \$15,000 are required.

**Important:** Agencies should retain all their invoices/receipts for 7 years, including expenses under \$15,000, as per the Guideline. The Region can request any documentation (e.g., receipts/invoices) during the review of the reconciliation or for an audit. As part of the audit, the Region will check for compliance with the Guideline, including eligible items, thresholds, and reasonableness of amounts.

### **32. Should we use the same FAIR document as last year to submit?**

An updated version of FAIR will be available shortly. If you have completed your FAIR using the current version, please send it in using the current version. Our staff will connect with you if we require any additional information.