
Alberta Affordability Grant

Financial reporting guide



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Alberta Affordability Grant Financial Reporting Guide | Children's Services (v1.0 – March 2023)

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Overview

This document is a reference guide for the reporting requirements under the Affordability Grant, provided under the Alberta-Canada Early Learning and Child Care Agreement. It is meant to supplement the formal requirements in the Affordability Grant, but does not replace any formal clauses within the grant.

The Government of Alberta allocates funding to eligible programs that have signed an Affordability Grant Agreement. The responsibilities outlined in this guide do not apply to licensed child care programs and/or spaces that are not eligible for Affordability Grant funding, which includes programs that do not charge a parent fee and school-age programs that only provide out-of-school care to children attending kindergarten full-time (five full days per week) to grade six.

Affordability Grant Agreement

As of January 2022, the Government of Alberta implemented the Affordability Grant to reduce parent fees for eligible children by an average of 50 per cent. Eligible child care programs were given the choice to sign an Affordability Grant Agreement.

The Affordability Grant is an operating grant for eligible programs that provides fixed monthly funding that may be used to help cover the day-to-day costs of running a licensed child care program. The monthly grant amount each program receives is calculated by totaling the number of enrolled children based on a fixed rate per age grouping, the number of hours each child is registered to attend, and program type.

Amending agreements to the Affordability Grant may occur with written notification from Children's Services to participating programs.

Roles and Responsibilities

Children's Services and licensed child care operators share responsibility for the Affordability Grant. Specific roles and responsibilities for the Affordability Grant are as follows:

- **Licensed Child Care Programs (Grant Recipients)** are responsible for signing and submitting their Affordability Grant Agreement and must agree to follow the terms of the agreement, which includes directly applying grant rates to the reduction of child care fees for parents.
- **Children's Services – Child Care Branch** is responsible for setting and maintaining requirements for the Affordability Grant and allocating funding to eligible programs that have signed an agreement. The Claims Unit is responsible for processing monthly payment claims and funding adjustments for the Affordability Grant, as well as child care subsidy and other grant payments.
- **Children's Services – Regional Community Program Delivery Branch (Child Care Licensing)** is responsible for licensing, inspecting and monitoring facility-based child care programs and family day home agencies. Licensing staff will verify a program's eligibility for the Affordability Grant and can assist operators with applying the grant requirements for their programs.

Reporting Requirements

Use of Grant Funding

The Affordability Grant is available to eligible licensed child care programs and spaces in Alberta, including facility-based programs and family day home agencies that provide care to infants, toddlers and preschool aged children.

By signing the agreement, grant recipients agree that the funding shall be used only for the purposes of operating the program, and shall not use the funding for any other purpose without the prior written consent of Children’s Services.

Financial Reporting after Agreement Expiry/Termination

As part of government’s accountability to Albertans for the distribution of public funds, there are requirements for financial reporting to ensure that funds are being spent for the intended purpose.

Programs are responsible for the costs associated with providing the required financial records and documentation.

Grant recipients must account for the funding they received during the funding agreement. Depending on the total amount of funding the grant recipient received will depend on the type of reporting.

Grant recipients shall provide this report within 90 days of the expiry or termination of the grant. Failure to comply with grant reporting requirements could impact the eligibility of future funding. If you require clarification on this timing, or require flexibility due to the timing of your internal financial reporting, please contact Children’s Services.

As per the Affordability Grant Agreement:

Total Amount of Funding	Minimum Reporting Requirements
Not greater than \$250,000	<ul style="list-style-type: none">A certificate signed by appropriate officers, as determined by the grant recipient, who can attest the funding was only used in accordance with the purpose of the grant agreement.<u>A financial report detailing actual funding spent</u>, and any funding needing to be returned
\$250,001 - \$500,000	<ul style="list-style-type: none">A Review Engagement Report, with accompanying financial statements showing the income and expenditures (<u>either as a separate statement or as a schedule attached to the Grant Recipient’s overall unaudited financial statement</u>) and, the return of any unused

	<p>funding in accordance with this agreement.</p> <ul style="list-style-type: none"> • This statement is to confirm the Funding was only used in accordance with the purpose of the Agreement
\$500,000 and over	<ul style="list-style-type: none"> • An audited financial statement showing the income and expenditures (<u>either as a separate statement or as a schedule attached to the Grant Recipient's overall audited financial statement</u>), and the return of any unused Funding in accordance with this agreement. • This statement is to confirm the funding was only used in accordance with the purpose of the Agreement.

These are standardized clauses used in current Government of Alberta grant agreements whereby the recipient is in receipt of public funding.

The audited financial statements required by providers receiving more than \$500,000 must be completed by a CPA external and independent from the program using the [Canadian Generally Accepted Accounting Principles \(GAAP\)](#).

Flexibility of the reporting period will be granted to match an organization's annual reporting period. Contact Children's Services at if you need to request changes to the timing of your grant reporting requirements.

Reporting requirements can be sent to cs.affordgrantreporting@gov.ab.ca. Include your Program ID in the subject line, e.g. Program ID – 2023-23 Financial Reporting Requirements.

Commonly Asked Questions

Why is financial reporting required?

As part of government's accountability to Albertans for the distribution of public funds, there are requirements for financial reporting to ensure that funds are being spent for the intended purpose. Operators are encouraged to review the terms of their grant agreements with the Government of Alberta, where financial reporting requirements are outlined, based on revenue amounts from the Affordability Grant.

Programs are responsible for satisfying the reporting requirements of the Affordability Grant Agreement. Some organizations may prepare financial statements as a routine course of operations, which may be used for reporting purposes. Recognizing that not all organizations have the same fiscal year end, the Ministry will allow some flexibility in the reporting timelines. Contact Children's Services at cs.affordgrantreporting@gov.ab.ca if you need to request changes to the timing of your grant reporting requirements.

Why are there different reporting requirements?

The reporting a Grant Recipient must provide increases as the level of funding increases.

As the funding increases, so does the need for increasing third party assurance that confirms the Grant Recipient's declaration and stated compliance with the agreement, to confirm that funding provided was spent in accordance with the stipulated purpose of the funds.

Why do I have to provide financial reporting?

Financial reporting is an accountability measure to Alberta taxpayers to validate that public funds have been appropriately expended and accounted for. Audited or Reviewed financial statements are a standard requirement for Government grant programs.

How do I know which type of reporting I need to submit?

Specific reporting requirements are based on the level of Affordability Grant funding the program has received. If Grant Recipients are not sure which reporting category applies to them they can contact Children's Services at cs.affordgrantreporting@gov.ab.ca.

Can financial or audited financial statements used for normal business operations be repurposed for this grant reporting?

Some organizations may prepare financial statements as a routine course of operations, which may be used for reporting purposes. Recognizing that not all organizations have the same fiscal year end, the Ministry will allow some flexibility in the reporting timelines.

Contact Children's Services at cs.affordgrantreporting@gov.ab.ca if you need to request changes to the timing of your grant reporting requirements.

What period of time does the reporting need to cover?

The financial reporting is for the entirety of the grant period. Grant Recipients need to be able to provide financial reporting under the correct category for January 2022 to March 2023. This information can be provided in two separate reports depending on the operators business reporting cycles. If you are unsure, please contact Children's Services for more information.

Do I report separately on the amending agreement I received in January?

No, if the Grant Recipient signed the Child Care Fees Grant (amending agreement to the Affordability Grant to cover the three per cent increase for January to March 2023), those funds become part of the updated Affordability Grant Agreement and will be included in your financial reporting.

How long do I have to fulfill the reporting requirements?

As stated in the Affordability Grant Agreement, Grant Recipients are to provide their financial reporting within 90 days of the grant expiry/termination. This means all reporting should be submitted to cs.affordgrantreporting@gov.ab.ca. Please include your Program ID in the subject line, e.g. Program ID – 2023-23 Financial Reporting Requirements.

Contact Children's Services at cs.affordgrantreporting@gov.ab.ca if you need to request changes to the timing of your grant reporting requirements.

Can we 'self-audit' to the grant agreement?

As stated in the agreement, financial statements must be performed according to the Canadian Generally Accepted Accounting Principles, and is determined by how much funding is provided during the grant term.

While the grant recipient may decide how to meet the minimum reporting requirements, audited financial statements can only be conducted by a Chartered Professional Accountant.

If we have several different programs operating under one umbrella organization, what type of reporting is required?

Each grant is treated as a separate legal agreement between the Minister and the Grant Recipient. Reporting is required under each separate grant agreement and should not be combined for the purposes of determining what type of reporting is required for your program.

Are there financial reporting templates provided by Children’s Services?

No, it is suggested to contact your bookkeeper, accountant or other financial provider for insight on commonly used templates for financial reporting.

Where can I get more information or support?

Grant Recipients can contact Children’s Services at cs.affordgrantreporting@gov.ab.ca or they can contact the Microbusiness Training Centre, which operates Alberta Child Care Ventures (ACCV) on behalf of the government. ACCV provides free access to business analysts, coaching supports, business templates and resources, and financial management resources.

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Other Alberta Child Care Grants

This reporting guide only applies to the Affordability Grant. The Government of Alberta also provides a number of other grants to child care programs, families and early childhood educators that are separate from the Affordability Grant, which may have different reporting timelines and requirements.

- For information about the Alberta Child Care Subsidy Program, please visit alberta.ca/child-care-subsidy.aspx.
- For information about the Alberta Child Care Grant Funding Program (wage top-ups, professional development and release time funding), please visit alberta.ca/alberta-child-care-grant-funding-program.aspx.
- Please contact local Child Care Licensing staff for information about the Infant Care Incentive, which is available to eligible programs providing child care to children under 19 months.

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Contact Information

Affordability Grant funding – contact the Alberta Child Care Grant Funding Program at 1-800-661-9754 or email cs.affordgrantreporting@gov.ab.ca.

Affordability Grant application technical support – contact the Child Care Licensing Portal Support Team at cs.licensingssystemsupport@gov.ab.ca.

Affordability Grant claims/payments – contact the Alberta Child Care Claims Unit at 1-855-638-6121 or email cs.childcareclaims@gov.ab.ca.

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