



\$10 a Day ChildCareBC Centres Operating Funding Model Test: Phase 2 – 2024 Intake

Policy and Procedures Manual
Released December 2024

The Ministry of Education and Child Care acknowledges the territories of First Nations around B.C. and is grateful to carry out our work on these lands.

As the ministry is committed to reconciliation, we acknowledge the rights, interests, priorities, and concerns of all Indigenous Peoples – First Nations, Métis, and Inuit – respecting and acknowledging their distinct cultures, histories, and rights.

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1 Introduction

The [ChildCareBC](#) plan outlines the Province’s long-term strategy to build a future where inclusive, quality and affordable child care is a service that families can rely on. In order to progress toward this future, the Province, through the Ministry of Education and Child Care (the “Province”) and in collaboration with the Government of Canada, has been testing various operating funding models across thousands of licensed child care spaces under the \$10 a Day ChildCareBC program.

For the past six years, child care providers participating in the \$10 a Day ChildCareBC program have contributed invaluable data, knowledge and expertise to the development of inclusive, quality and affordable child care in British Columbia (B.C.).

In October 2023, the Province launched the \$10 a Day ChildCareBC Operating Funding Model (OFM) Phase 1 Test, in partnership with 42 selected \$10 a Day child care providers, to participate in a test of a formula-based funding model. In October 2024, the OFM Test was expanded to include additional child care providers in Phase 2 (the “Participants”)¹, with more child care providers anticipated to participate by April 2025.

Under the \$10 a Day ChildCareBC program, the Province is established as the primary source of Participants’ operating funding, in addition to a Parent Fee of up to \$10 per day per child collected from Parents. The OFM Test is piloting a new formula-based approach to the \$10 a Day ChildCareBC program, which intends to:

- Reduce administrative burden and provide stable funding for Participants;
- Set clear standards for services and provide professional development support for child care providers;
- Provide consistent, affordable Parent Fees; and
- Foster quality, inclusive and culturally safe child care programs.

The Province engages with Participants to learn and understand how to best refine the OFM Test. Through a measured approach, the OFM Test is providing an opportunity for real-time feedback from child care providers on the ground through ongoing engagement.

This Policy and Procedures Manual (“Manual”) provides information and sets Participant expectations regarding Phase 2 of the OFM Test, including how the funding model is intended to work, how funding will be allocated, and how Participants can use their funding.

This Manual also supplements, and is subject to, the Funding Agreement that each Participant enters into with the Province as part of the OFM Test. This Manual is likely to change over time as the Province learns from Participants about the transition to formula-based funding.

This Manual is intended to assist Participants by explaining the legal terms of the Funding Agreement between the Province and Participants. The Funding Agreement between the Province

¹ Participants in the OFM Test are referred to as Participants in this Manual, and as “Recipients” in their Funding Agreements with the Province.

and a Participant is a legal agreement, and this Manual is a program resource. A template version of the Funding Agreement can be viewed in the Help and Resources section of the [My ChildCareBC Services Portal](#).

2 Operating a \$10 a Day ChildCareBC Centre

2.1 The \$10 a Day ChildCareBC Program Community

The \$10 a Day ChildCareBC program is made up of more than 15,000 child care spaces at over 300 licensed child care centres in communities around the province. These participating \$10 a Day ChildCareBC centres form a growing community of child care providers testing funding models to inform the future of child care in BC. The Province communicates with each \$10 a Day ChildCareBC Centre individually, including all Participants in the OFM, in order to ensure all participating child care centres have the information and resources they need to succeed.

To support interaction with the \$10 a Day ChildCareBC program, the Province recently introduced the My ChildCareBC Services Portal. Participants will need a business BCeID account to access the portal. The portal manages all interaction between Participants and the ministry, such as viewing and maintaining child care centre information.

- Link to Portal: [My ChildCareBC Services Portal](#)
- Information and support for [Business BCeID](#)

2.2 Universal Service Standards

The child care needs of families and children vary, and the services provided by child care providers must also vary in response to the needs of the families and children in their communities. A sustainable funding model establishes consistent service standards so that families and child care providers know what to expect, while providing flexibility and stability for child care providers allowing them to be responsive to the needs of those they serve.

The OFM uses Universal Service Standards that are aligned with the mandatory requirements in the Child Care Licensing Regulation (“CCLR”) for all licensed child care providers. The Universal Service Standards establish expectations for all Participants to meet in the delivery of child care. The Province is committed to supporting Participants in meeting and exceeding the Universal Service Standards, and in learning together with Participants about the further development and refinement of Universal Service Standards.

The Universal Service Standards, and the resources provided to assist Participants in meeting and exceeding the standards, are further described below:

Quality Child Care

All Participants are required to use reasonable efforts to provide quality child care, with programming that meets or exceeds licensing and industry standards for all children in their care. To achieve this end, and to support continual improvement and self-reflection, Participants will receive the following supports through the OFM Test:

- Funding to support recruitment and retention of qualified child care professionals through standardized funding for wages, paid time off and benefits; and
- Funding to enable access to professional development opportunities, including paid time off and paid expenses. Participants and child care professionals are encouraged to reflect on their programs and practice and prioritize professional development that emphasizes inclusivity, cultural safety, trauma-informed practice and any other area that is needed to support quality care and learning for the children in the Participant’s care and their families.

Participants will be encouraged to access and/or connect with:

- Supportive community resources, including their local [Child Care Resource and Referral centre](#), [Supported Child Development program](#), [Early Years Professional Development Portal](#) and the [BC Early Years Professional Development Hub](#); and
- Resources such as the [BC Early Learning Framework](#) and the [Play Today B.C. Handbook \(2019\)](#)

All Participants and child care professionals are encouraged to engage in reflective practice and continuous improvement of services. The Province is developing resources to support Participants in this work.

Inclusive Child Care

As described in [Where All Children Belong: B.C. Inclusive Child Care Strategy](#), the Province is committed to supporting child care providers in delivering inclusive child care. All Participants are required to use reasonable efforts to develop and implement an inclusion policy². The Province expects this will be done within the first six months of signing the Funding Agreement, unless otherwise discussed with the Province. The policy must outline the steps that the Participant will take to provide inclusive child care to all children and families, including how staff will prevent or reduce the exclusion or termination of children with support needs from the program. The list of resources below will support Participants with the development of an inclusion policy, as well as enhance the inclusivity and accessibility of their program. Participants and child care professionals may:

- Refer to the [Inclusive Child Care Toolkit](#) which outlines how child care providers may embed inclusivity and equity of access into their program and provides instructions on how to develop an inclusion policy;
- Request additional funding through the [Support Needs Programming Allowance](#) to further enhance their program’s inclusivity and accessibility;
- Connect with their local [Supported Child Development](#) or [Aboriginal Supported Child Development](#) program to request support in developing and implementing an inclusion

² Participants are not required to submit their inclusion policy to the Province to demonstrate completeness, however they may be asked to submit their inclusion policy to contribute to the Province’s learning in supporting child care providers to deliver inclusive services to all children and families.

policy, and/or determine if children in their care may be eligible for additional supports; and

- Access free professional development online, including the [Foundations of Inclusive Child Care](#) and [Behaviour in the Early Years](#) courses.

Culturally Safe Child Care

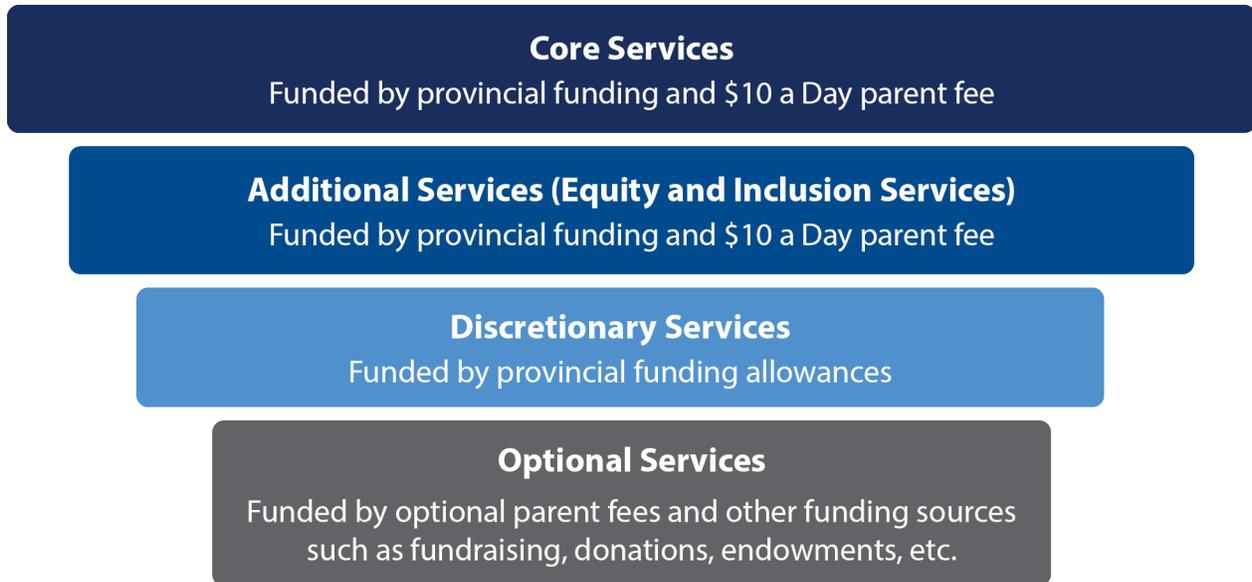
All Participants are expected to provide culturally safe child care that meets the distinct needs and interests of First Nations, Métis and Inuit children and families with equitable access to affordable, inclusive, quality and culturally relevant programs and services. To support the delivery of culturally safe care, Participants and child care professionals are encouraged to:

- Build respectful, meaningful connections with their local communities, including local First Nations, Métis Communities, Aboriginal Friendship Centres, Elders and Knowledge Keepers;
- Collaboratively plan with Indigenous Peoples to enable equitable access to inclusive child care for First Nations, Métis and Inuit children and families;
- Access resources available through organizations such as the BC Aboriginal Child Care Society (BCACCS) and Métis Nation BC (MNBC), which help guide child care providers in delivering culturally responsive care; and
- Request additional funding through the [Indigenous Programming Allowance](#) to enhance their program's delivery of Indigenous curriculum, in collaboration with Indigenous Peoples in their communities.

3 Operating Funding

Operating funding enables Participants to provide quality, inclusive, culturally safe Child Care Services that meet the unique and diverse needs of children, families, staff and communities. In the OFM, the combined funding from the Province and Parent Fees is referred to as “Base Funding”. Any funding that a Participant receives from additional sources, such as, including Additional Service (Equity and Inclusion Services) and Discretionary Services Allowances, fundraising, grants, or donations, is not considered Base Funding.

Overview of the Operating Funding Model



The OFM is intended to enable all Participants to provide Core Services, Additional Services (Equity and Inclusion Services) and Discretionary Services to all families and children. Participants may also be permitted to continue to provide certain Optional Services (available to families on a strictly optional basis) that Participants were offering to families and children prior to joining the \$10 a Day ChildCareBC program.

Core Services: Participants will be funded to provide Child Care Services that meet universal service standards for all children attending the child care centre which meet the diverse needs of children, families, staff and communities. This includes both children enrolled at the child care centre and those accessing drop-in spaces. Participants are supported to provide Core Services through Base Funding, which includes funding from the Province and the collection of Parent Fees.

Additional Services (Equity and Inclusion Services): Participants may apply for Allowances in order to further support and enhance their delivery of inclusive and/or Indigenous programming for all children. Participants are able to apply for one or more of the following Allowances once per Contract Year:

- Support Needs Programming Allowance to enable all Enrolled Children, including children with support needs, to participate meaningfully at the child care centre with the assistance of equipment, program resources or minor modifications to the centre.
- Indigenous Programming Allowance to enable collaboration with Indigenous Peoples in the development and delivery of Indigenous programming for all children, which may include, for example, working with Elders, organizing drumming at the centre, or purchasing equipment or supplies.

Discretionary Services: Participants may apply for an Allowance to enable them to provide Discretionary Services, separate from Core Services and Additional Services (Equity and Inclusion Services), in order to meet the unique needs of the families accessing the child care service or the communities served. Discretionary Services are currently limited to Transportation Programming to reduce geographical or transportation barriers for enrolled children, which may include the lease or purchase and mileage of a dedicated vehicle for the child care centre and transportation of children between the centre and one or more other locations. The Province may add to, or change the Discretionary Services over the course of the OFM Test.

Optional Services: Participants may also continue to offer specified Optional Services through the collection of additional Parent Fees if the Participant was offering those services to children and families prior to the Participant joining the OFM. Parents can elect to purchase Optional Services for additional fees.

For Phase 2 of the OFM Test, Optional Services are limited to meal programs, uniforms, extracurricular activities, additional education programming and custom transportation. All Optional Services must always be strictly optional for families. The Optional Services must be funded through Optional Parent Fees and other funding sources (e.g. fundraising, grants). The Province will not provide funding for Optional Services.

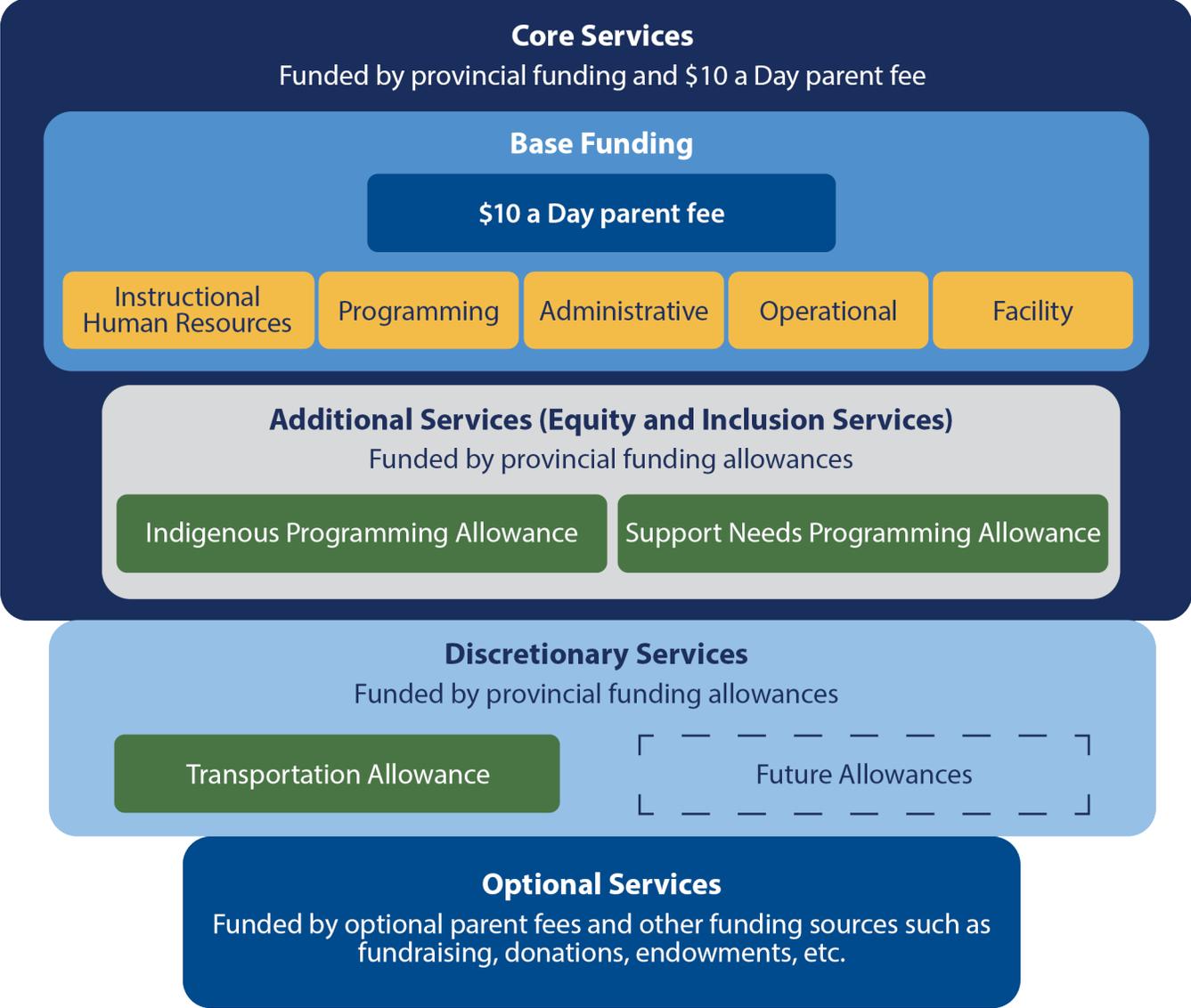
Some types of costs a child care centre may incur are not funded by OFM and must be covered by the Participant through other funding sources, which can include fundraising and donations, grants, etc. See Appendix B for a list of ineligible costs under the OFM.

3.1 Operating Funding Model Formula

All Participants will receive Base Funding for Core Services. Funding amounts are calculated using a standardized formula which considers costs associated with the Participant's facility licence type(s), operational capacity, weeks in operation and operating hours/days.

Funding amounts are informed by the costs reported by BC child care providers in the annual Provider Profile Survey, data collected from existing \$10 a Day ChildCareBC Participants and Aboriginal Head Start child care providers. Additional funding is available by application through Allowances (see above) to deliver Additional Services (Equity and Inclusion Services) and/or Discretionary Services.

Operating Funding Model



Operational Capacity

Under the OFM Test, the Operational Capacity of Participants is an important factor in determining the funding amount that they will receive. Operational Capacity refers to the total number of Enrolled Spaces and Vacant Spaces at a child care centre which is available to be occupied by a child during the times that the centre offers child care.

If a licensed space is not available to be occupied by a child (e.g., due to insufficient staffing to meet licensing requirements), it is not included in the centre’s Operational Capacity. The Province will work with Participants to ensure that their Operational Capacity is reasonable and may request justification and/or documentation to better understand why a Participant is operating below their Licensed Capacity.

Participants must use reasonable efforts to achieve and maintain Enrolment at a minimum of 80% of Operational Capacity, including enrolling children from the participant's waitlist (if applicable), advertising space availability to local families or offering more hours of care to families who currently only access part-time care. In communication with the Participant, the Province will determine whether the Participant is making, or has provided justification acceptable to the Province, for not making, such efforts.

To inform the Province's funding calculation, Participants are required to report the total number of child care spaces occupied, if different from the Operational Capacity.

- Participants that wish to add net new child care spaces (above the amount set out in their Funding Agreement) will not automatically receive additional funding to deliver the new spaces at a Parent Fee of \$10 per day. Participants must contact the Province in advance through the [My ChildCareBC Services Portal](#) to determine eligibility of the new spaces.
- The Province will monitor enrolment levels at each of the Participant's centres within the OFM Test to ensure appropriate funding levels. If a Participant is consistently operating under capacity (fewer enrolled children than reported operational spaces)³, or if the Province determines that a Participant was funded for a higher Operational Capacity than it is able to provide, or at a higher level than is warranted under the terms of its Funding Agreement, the Province will contact the Participant regarding the discrepancy and may adjust future funding amounts (and past funding amounts, if applicable under the Funding Agreement) to better reflect actual Enrolment/Operational Capacity as described in its Funding Agreement.

Hours of Operation

Under the OFM Test, a Participant's operating hours are another important factor in determining the funding amount that a Participant will receive. Base Funding is provided to cover staffing requirements outlined in the Child Care Licensing Regulation⁴ and to support staff coverage for breaks during the day and paid time off (e.g. vacation and sick days). To maximize access for families, Participants will be fully funded for each hour of operation and are encouraged to be fully staffed for all operating hours, where possible, regardless of the number of children in attendance.

Unless otherwise agreed upon with an Eligible Employee, Participants must pay Eligible Employees at their usual rate of pay for all scheduled and additional hours that they work, according to the role they are performing at the child care centre⁵. To ensure that staff understand their rights, each time a Participant offers an Eligible Employee the option of not

³ In addition to reviewing any circumstance of a Participant's enrolment falling below 80% of Operational Capacity for three consecutive months, the Province may also consider funding adjustments if a Participant is consistently under-enrolled compared to their reported Operational Capacity but remains above the 80% threshold.

⁴ The Child Care Licensing Regulation specifies maximum group sizes, staff to child ratios and staff credentials for each licensed child care program in BC.

⁵ For example, an Eligible Employee fulfilling the role of an Early Childhood Educator from 9:00am-3:00pm must be compensated as an Early Childhood Educator. If the same staff person transitions to the role of a School Aged Care Provider from 3:00pm-5:00pm, they must be compensated as a School Aged Care Provider for those two hours.

working during their scheduled hours, the Participant must inform the Eligible Employee that they will be paid for all scheduled hours they choose to work and will not be paid for scheduled hours they agree to not work. Participants are encouraged to offer care during all operating hours where staffing levels permit.

3.2 Base Funding

The primary funding that Participants will receive under the OFM Test is referred to as Base Funding, which enables Participants to deliver Core Services that meet Universal Service Standards. Base Funding includes Province Base Funding, which is paid to Participants by the Province, and Parent Fees which are collected by the Participant. Base Funding is allocated across five “Funding Envelopes” and includes funding for Instructional Human Resources, Programming, Administrative, Operational and Facility eligible costs, as described below.

The Province’s Base Funding is a pre-determined annual amount that will be divided into equal monthly payments paid through direct deposit, while Participants are solely responsible for charging and collecting Parent Fees.

Each Funding Envelope has rules for how the funding can be used, and if or how funding can be re-allocated between the Funding Envelopes and between line items within the Funding Envelopes, as applicable. This approach is intended to balance flexibility for the Participant and the Province’s efforts to learn about and refine the OFM.

Funding Envelope	Funds can be re-allocated TO this Funding Envelope from other Funding Envelopes	Funds can be re-allocated FROM this Funding Envelope to other Funding Envelopes	Funds can be re-allocated between Funding Envelope line items
Instructional Human Resources	No*	No*	No*
Programming	Yes	Yes	N/A
Administrative	No*	Yes	N/A
Operational	Yes	Yes	N/A
Facility	Yes	No*	N/A

*Where “No” is noted, funding may not be re-allocated without prior written approval from the Province. Any requests to re-allocate between these Funding Envelopes must be made to the Province through the [My ChildCareBC Services Portal](#) as soon as the need for a re-allocation is identified and must be made during the Contract Year in which the re-allocation is needed.

Requests to re-allocate funds from restricted Funding Envelopes between different Contract Years will not be considered by the Province.

Further details about re-allocating funds between Funding Envelopes is available in Schedule B of the Funding Agreement.

See [Appendix A: Eligible Costs](#) for more information about what expenses are funded under the different Funding Envelopes.

Instructional Human Resources Funding Envelope

Funding from the Instructional Human Resources Funding Envelope is to be spent by the Participant on the specific eligible human resources and professional development cost line items set out below, for employees providing Core Services. Funding from the Instructional Human Resources Funding Envelope is not to be paid to employees whose primary responsibility is to provide non-child care-related services such as administrative, janitorial or similar services, which are provided for under other Funding Envelopes.

Wages and Paid Time Off

Phase 2 of the OFM Test continues to move BC toward meeting the Province’s commitment to develop and implement a wage grid and establish a comprehensive compensation standard for Early Childhood Educators (ECEs) and other child care professionals. The approach continued in Phase 2 of the OFM Test is a compensation standard which includes a wage grid, paid time off, funding for professional development and funds for statutory and other benefits.

The funding allocated into the Wages & Paid Time Off line item includes annual funding for all statutory holidays, 15 vacation days, and 5 sick days per full-time Eligible Employee (FTE). Funding is pro-rated for part-time Eligible Employees. Nothing contained in a Funding Agreement will alter or release the Participant from meeting its obligations under the Employment Standards Act.

Wage Grid

Role	Description	Hourly Wage	
		Minimum Amount	Funding Amount
Early Childhood Educator Assistant	Works alongside Early Childhood Educators in licensed child care programs for children aged 0-5	\$22.00	\$23.00
School Age Care Provider	Works in licensed child care programs for children in kindergarten and up	\$23.50	\$25.00

Early Childhood Educator	Works as a sole, primary or supporting educator in licensed child care programs for children aged 0-5	\$25.00	\$28.50
In addition to the wage grid's established Hourly Wage Funding Amount, a \$2.00 Hourly Premium is provided under the Wages & Paid Time Off line item for each group, according to the CCLR. This may be used to top up the wages of a Program Leader or any Eligible Employee, in the Participant's discretion.			
Premium Type	Description	Hourly Premium	
Program Leader	Primary or sole educator in a licensed child care program, which may include responsibility for supervising other staff	\$2.00 per group	

The wage grid establishes a minimum wage that must be paid for each specified role providing direct care to children, along with the corresponding funding level that the Participant will receive. The funding level exceeds the minimum hourly wage, providing Participants with flexibility to set the wages of their Eligible Employees in a manner that addresses their specific staffing needs, as long as Eligible Employees receive at least the minimum wage levels. For clarity, the Participant may pay Eligible Employees an hourly wage that exceeds the funding levels in the wage grid, provided that neither the Province, nor any Parents (whether through a Parent Fee, Optional Fee, or other additional fees) will be required to provide additional funding to the Participant to cover those higher wages.

The wage grid replaces the ECE Wage Enhancement ("ECE-WE") and Participants are not eligible to apply for the ECE-WE. Participants are funded according to the wage grid. When determining wages, Participants should consider offering fair compensation to Eligible Employees in light of other provincial initiatives available to the broader child care sector, such as the ECE-WE.

For example, a Participant may wish to pay the minimum wage of \$25.00 to a new ECE joining the sector with no prior experience working in child care and use the remaining funding of \$3.50 to offer a higher wage to a more senior ECE or an ECE holding their post-basic certificate(s). However, if the Participant exceeds the total funding for this line item (for example by paying wages that exceed their funding allocation), the Participant is solely responsible for paying those excess amounts from other funding sources (e.g. fundraising and donations or grants), which must not include additional fees charged to Parents.

Funding is provided to the Instructional Human Resources Funding Envelope based on the required role(s) for each child care centre, not the certificate level held by the Eligible Employee. For example, an ECE working in before/after-school care would be funded as a School Age Care Provider, and not as an ECE, as the Responsible Adult.

The OFM also provides funding for an additional \$2.00 hourly premium for one Program Leader per group (based on the Child Care Licensing Regulation group sizes). Participants have discretion as to how to pay the Program Leader hourly premium among their Eligible Employees to meet their specific program needs.

If an owner, operator, or employee works in an administrative role in the child care centre, and also works as an Eligible Employee, the Participant will ensure that such owner, operator, or employee is paid as an Eligible Employee in accordance with the wage grid when providing Child Care Services. For example, during a 40 hour work week, a manager spends 20 hours providing Child Care Services with the remaining hours spent performing administrative duties. The wages would be paid from both the Administrative and Instructional Human Resources Funding Envelopes, with 20 hours paid from each. When completing the monthly reporting form, the manager's hours worked would be reported in both the Administrative and Instructional Human Resources sections.

The wage grid as described above represents the first iteration of a wage grid, which is anticipated to evolve based on learnings from the OFM Test and data from the annual Provider Profile Survey.

Benefits

Benefits funding is provided based on 18% of funding for wages and paid time off for Eligible Employees (as set out above) and provides funding greater than the costs of minimum statutory benefits. Participants must use these funds first to cover statutory benefits (i.e., Canada Pension Plan, Employment Insurance premiums and workers' compensation premiums). Participants may use the remaining funding under this line item for extended benefits, which may include (but are not limited to) extended health, dental, group life, accidental death and dismemberment, long-term disability and retirement savings. Participants have discretion to choose the additional benefits for which they want to use the remaining funds, as long as these funds are used to support benefits for Eligible Employees.

Employer health tax

This line item includes funding for any obligations of Participants under the **Employer Health Tax Act** for remuneration paid to Eligible Employees.

Professional development hours

This line item includes annual funding to provide each FTE Eligible Employee with 15 paid hours (approximately two days) for professional development, pro-rated for part-time Eligible Employees, which is to be passed on to Eligible Employees. The intent of this funding is to pay for the wages of Eligible Employees while they are attending professional development courses and for the wages of substitutes to cover for the Eligible Employees. Funding for these professional development hours cannot be pooled by the Participant and paid to one or several Eligible Employees but must be paid to each Eligible Employee according to their entitlement (including on a pro-rated basis if not equivalent to 1 FTE).

Note: Financial support is available from the Province through the ECE Education Support Fund (ECE bursaries) to support individuals interested in completing an early childhood education program at a recognized post-secondary institution (includes funding for post-basic programs).

Further details on how to apply for the ECE Education Support Fund [can be found here](#). Participants are required to exhaust the funding sources available before using Base Funding to pay for their employees to attend post-secondary early childhood education programs for the purpose of upgrading their educational qualifications.

Professional development expenses

Participants will receive \$250 per FTE Eligible Employee (which is pro-rated for part-time Eligible Employees) for professional development expenses related to professional development courses.

These funds may be:

- paid directly to an Eligible Employee to pay the costs of their professional development;
- paid directly to the provider of the professional development course; or
- pooled by a Participant to pay for professional development courses to be delivered for all Eligible Employees in their centre.

Eligible costs for this funding may include (but are not limited to) course or conference fees and related travel or guest presenters. Funding for professional association membership fees (e.g., Early Childhood Educators of B.C.) are provided under the Administrative Funding Envelope and are not to be funded through the Instructional Human Resources Funding Envelope.

Instructional Human Resources Funding Envelope Restrictions

- Funding may not be re-allocated into or out of this Funding Envelope, or between the line items in this Funding Envelope, without prior written approval from the Province. Any requests to re-allocate funding into or out of this Funding Envelope or between the line items in this Funding Envelope must be made to the Province as soon as the need for a re-allocation is identified. Requests to re-allocate funds that will impact the Instructional Human Resources Funding Envelope must be made during the Contract Year in which the re-allocation is needed. Requests to re-allocate funds across different Contract Years will not be considered by the Province.
- This Funding Envelope consists of five funding line items: Wages & Paid Time Off, Benefits, Employer Health Tax, Professional Development Hours, and Professional Development Expenses.
- Eligible costs that exceed the funding amount provided under this Funding Envelope, including any amounts allocated to this Funding Envelope for which the Province's prior written approval was obtained, must be covered by the Participant through other funding sources (e.g. fundraising) and may not be collected as additional fees from Parents.
- Any unspent funds from this Funding Envelope must be repaid to the Province, unless otherwise approved by the Province in writing.

Programming Funding Envelope

Funding from the Programming Funding Envelope is to be spent by the Participant on eligible costs associated with delivering early childhood program elements of Core Services (see eligible cost details in [Appendix A](#)).

Programming Funding Envelope Restrictions

- Subject to the restrictions applicable to other Funding Envelopes (see, for example, the restrictions on the Administrative Funding Envelope), funding may be re-allocated between this and other Funding Envelopes without prior written approval from the Province.

Administrative Funding Envelope

Funding from the Administrative Funding Envelope is to be spent by the Participant on eligible human resources and administrative costs not directly related to the provision of Child Care Services and not covered by any other Funding Envelope (see eligible cost details in [Appendix A](#)).

Administrative Funding Envelope Restrictions

- Subject to the restrictions applicable to other Funding Envelopes (see, for example, the restrictions on the Instructional Human Resources Funding Envelope), funding may be re-allocated from this Funding Envelope without prior written approval from the Province.
- Funding may not be re-allocated from another Funding Envelope to this Funding Envelope without prior written approval from the Province.

Operational Funding Envelope

Funding from the Operational Funding Envelope is to be spent by the Participant on eligible costs associated with operating and maintaining the child care centre, excluding rent, lease or mortgage costs, strata fees and property taxes (see eligible cost details in [Appendix A](#)).

Operational Funding Envelope Restrictions

- Subject to the restrictions applicable to other Funding Envelopes (see, for example, the restrictions on the Administrative Funding Envelope), funding may be re-allocated between this and other Funding Envelopes without prior written approval from the Province.

In the event that a Participant experiences unexpected, unplanned or irregular expenses that exceed Base Funding, the Province, in its sole discretion, may grant a short-term adjustment to a Participant's funding level. Please see the [Irregular Expenses](#) section of this Manual for more information.

In the event of repair or replacement of eligible items due to unexpected and emergency circumstances, the [ChildCareBC Maintenance Fund](#) may be available to support Participants.

Facility Funding Envelope

Funding from the Facility Funding Envelope is to be spent by the Participant on eligible costs associated with the rental, lease or mortgage costs of the child care centre, as well as strata fees and property taxes (see eligible cost details in Appendix A). In order to be eligible for funding under the OFM Test, all rental agreements, leases and mortgages must be entered into with an arm's length third party, unless otherwise approved by the Province.

Note: Some eligible costs, including lease and rental agreements, are required to be at arm's length from the Participant (see [Appendix A](#) for details). Third-parties dealing with each other at arm's length are independent and unrelated to each other. Examples of parties not dealing with each other at arm's length include, but are not limited to:

- The landlord is related to the tenant (e.g., the landlord is related by blood or marriage to the tenant or to the tenant's directors or shareholders (if applicable).)
- The landlord is affiliated with the tenant society/corporation (e.g., the landlord and tenant society/ corporation have common directors or shareholders (if applicable). Or the landlord is a director or shareholder (if applicable) of the tenant or vice versa.)
- The landlord is employed by the tenant or vice versa (e.g., the landlord or any of its directors/ shareholders work at the child care centre.)

If the Participant is an Indigenous Governing Entity, the requirement for rent, lease or mortgage payments to be paid to a third party at arm's length is waived.

Note: Corporations, partnerships, and sole proprietor Participants are not eligible to receive funding under the OFM Test to cover mortgage payments for privately held assets.

Facility Funding Envelope Restrictions

- Funding for eligible costs in this Funding Envelope is provided on a cost pass through basis up to a maximum eligible amount determined by the Province. As such, funding may not be re-allocated out of this Funding Envelope, and any unspent funding from this Funding Envelope must be repaid by the Participant to the Province, unless otherwise approved by the Province in writing. Any requests to re-allocate funding into this Funding Envelope or out of this Funding Envelope must be made to the Province as soon as the need for a re-allocation is identified. Requests to re-allocate funds that impact the Facility Funding Envelope must be made during the Contract Year in which the re-allocation is needed. Requests to re-allocate funds across different Contract Years will not be considered by the Province.
- Subject to the restrictions applicable to other Funding Envelopes (see, for example, the restrictions on the Instructional Human Resources Funding Envelope), Participants can re-allocate funding from other envelopes into the Facility Costs Funding Envelope.

In the event of any rent, lease or mortgage payment cost increases during the term of the Participant's Funding Agreement, the Participant may submit a request to the Province for additional funding to cover such increases, which may be approved or rejected at the Province's sole discretion.

4 Allowances

In addition to the Base Funding, additional funding Allowances are available to Participants. Allowances are available upon request or upon application to the Province on an annual basis. Each such request or application will be approved or rejected at the Province’s sole discretion. As Phase 2 of the OFM Test continues and the Province learns from Participants, Allowances may be introduced or removed.

Funding provided under Allowances cannot be re-allocated to other Allowances, or to the Funding Envelopes, and cannot be spent for any purpose other than for which they are intended. Any unspent Allowance funds must be repaid by the Participant to the Province. Certain information and/or documentation will need to be provided by the Participant to the Province in connection with each Allowance, some of which are discussed in more detail below.

4.1 Allowances for Additional Services (Equity and Inclusion Services)

While all Participants are required to deliver inclusive and culturally safe programming, the Province recognizes that additional funding may support Participants to fully meet the diverse needs of the communities, children, and families served. Participants may submit requests to the Province for the Indigenous Programming Allowance and the Support Needs Programming Allowance. See [Appendix A](#) for further details about eligible costs.

Description of Allowances for Additional Services (Equity and Inclusion Services)	Requirements
<p>The Indigenous Programming Allowance is intended to provide additional funds to support and enhance a Participant’s delivery of Indigenous curriculum in collaboration with Indigenous Peoples in their communities.</p> <p>Available through request, once per Contract Year, as described in the Funding Agreement.</p>	<p>Funding: One-time payment per Contract Year, pro-rated according to the child care centre’s Operational Capacity:</p> <ul style="list-style-type: none"> • \$5,000 for child care centres with an Operational Capacity of more than 20 children; • \$3,500 for child care centres with an Operational Capacity of between 10-20 children; or • \$2,000 for child care centres with an Operational Capacity of 9 or fewer children. <p>Eligibility: All Participants. This funding is available to all Participants, regardless of whether they have families or children who identify as Indigenous in their care.</p> <p>Eligible costs: Costs to support and enhance the Participant’s delivery of Indigenous curriculum in collaboration with Indigenous Peoples in their</p>

	<p>communities. See Appendix A for further details about eligible costs.</p> <p>Ineligible costs: Staffing enhancements for the purpose of reducing ratio (i.e. more staff to provide child care to the same number of children.)</p>
<p>The Support Needs Programming Allowance is intended to help Participants increase their ability to welcome children and families of all abilities by covering costs related to offering inclusive and accessible Child Care Services that are not covered by Base Funding or other provincial funding sources.</p> <p>Available through request, once per Contract Year, as described in the Funding Agreement.</p>	<p>Funding: One-time payment per Contract Year, based on the child care centre’s Operational Capacity:</p> <ul style="list-style-type: none"> • \$5,000 for child care centres with an Operational Capacity of more than 20 children; • \$3,500 for child care centres with an Operational Capacity of between 10-20 children; or • \$2,000 for child care centres with Operational Capacity of 9 or fewer children. <p>Eligibility: All Participants. This funding is available to all Participants, regardless of the support needs of individual children in the program.</p> <p>Eligible costs: Equipment, program resources, or minor facility modifications to enhance inclusion for all children in the Participant’s programming.</p> <p>Ineligible costs: Staffing enhancements including support workers; individualized, therapeutic or medical equipment.</p>

4.2 Allowances for Discretionary Services

Participants may have costs related to Discretionary Services that are not funded under Base Funding. Participants may submit applications to the Province to receive Allowances for Discretionary Services. Currently, the only Allowance available for Discretionary Services is the Transportation Programming Allowance. See [Appendix A](#) for further details about eligible costs under the Transportation Programming Allowance. Other Allowances for additional categories of Discretionary Services may be introduced by the Province over the course of the OFM Test.

Description of Allowances for Discretionary Services	Requirements
<p>The Transportation Programming Allowance is for dedicated child care vehicles (Designated Vehicle) to safely transport children between a child care centre and school or a collective point of access to support the regular, ongoing Core Services.</p> <p>Available by application.</p>	<p>Funding: Monthly payments, in amounts determined by the Province in its discretion, including:</p> <ul style="list-style-type: none"> • Annual mileage of the Participant’s Designated Vehicle will be reimbursed at the BC government standard mileage rate for private vehicles (2024/2025: \$0.63/km) • Financing/lease for Designated Vehicles as cost pass-through <p>Eligibility: Participants using a Designated Vehicle exclusively to safely transport children between the child care centre and school or a collective point of access where geographical distance or obstacle (e.g. a body of water) creates an ongoing barrier for families and Participants.</p> <p>Eligible costs:</p> <ul style="list-style-type: none"> • Applicable mileage of the Participant’s designated vehicle will be reimbursed at the Province’s standard mileage rate for private vehicles, which includes funding for the Participant’s routine vehicle costs, such as fuel, insurance, depreciation and routine maintenance. • The Participant’s actual lease or financing costs for the designated vehicle used exclusively to safely transport children for the purpose stated in the Eligibility section above, provided that such costs and financing terms are reasonable and amortized over a reasonable period of time, as determined by the Province in its discretion. <p>The Participant is required to submit supporting information and documentation relating to the estimated and actual mileage and lease/financing costs of the designated vehicle to the Province.</p>

	Ineligible costs⁶: Travel related to operations (e.g., grocery store), driver wages, other transportation, tickets or traffic fines, licensing costs.
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5 Parent Fees

The Participant is responsible for charging and collecting the Parent Fee from each Parent of an Enrolled child or a child accessing a Drop-In Space. The Parent Fee for each Enrolled child and each child accessing a Drop-in Space will be restricted as follows for all care types, for all families:

Enrolment	Maximum Fee
Full days (4 hours or more)	\$10/day to a maximum of \$200/month
Half days (less than 4 hours)	\$7/day to a maximum of \$140/month
Combination of full days and half days	\$10/day for full days and \$7/day for half days to a maximum of \$200/month

Examples of Parent Fee collection/Enrolment:

- Full days (4 hours or more), 5 days a week, \$200/month = Child attends Monday through Friday, 8a.m. to 5p.m.
- Half days (less than 4 hours), 5 days a week, \$140/month = Child attends Monday through Friday, 8a.m. to 11:45a.m.
- Combination of full days and half days, 5 days a week, \$176/month = Child attends Monday, Wednesday and Friday, 8a.m. to 5p.m. and Tuesday and Thursday, 8a.m. to 11:45a.m.

Participants must not charge Parent Fees that exceed the applicable amount set out in the table above, including where a Parent and a Participant have separately agreed that the Parent will pay a higher amount.

Except for the Optional Fees described below, Participants may not charge Parents additional fees beyond the Parent Fee noted above. \$10 a Day ChildCareBC Centres, including those participating in Phase 2 of the OFM Test, are not permitted to charge waitlist-related fees or registration fees.

⁶ Any vehicle lease costs not covered by the Transportation Programming Allowance for vehicles that are used to transport children fall under the Operational Funding Envelope. A Participant may have to submit a request to reallocate funding or submit a request for funding for Irregular Expenses if the cost puts them in a shortfall.

Optional Fees for Optional Services:

Where approved by the Province, Participants in Phase 2 of the OFM Test may charge optional fees (“Optional Fees”) to Parents for Optional Services not funded by the Province under the OFM Test. The Optional Services for which Parents may be charged the Optional Fees are strictly limited to those in the list provided below. Optional Services must be services that the Participant was already offering for an additional fee before becoming a Participant in the OFM Test, as reasonably determined by the Province. New Optional Services with fees charged to Parents may not be introduced after a Participant has joined the OFM Test.

Optional Services offered by Participants to families through the payment of Optional Fees must be continuously optional to families, meaning they cannot transition from being an Optional Service to a mandatory service. To be considered truly optional, families must be able to choose not to receive the Optional Service and still be able to access the usual continuous Core Services at the child care centre (e.g. the child’s enrolment in Core Services must not be reduced or terminated due to a Parent’s decision not to receive an Optional Service). Participants are not permitted to require families to purchase one or more Optional Services for their children as a condition of enrolment at the child care centre or accessing a Drop-In Space. Where the provision of Optional Services for Optional Fees is not approved by the Province, the Participant must cover any such additional costs through other funding sources (e.g. fundraising).

Optional Services permitted under the OFM Test	
Meals	<p>The Participant may continue to offer optional meal programs that were in place prior to joining the OFM Test.</p> <p>The Participant may not introduce new meal programs for an additional fee during the term of the OFM Test.</p>
Uniforms	<p>The Participant may continue to offer uniforms for optional purchase to be worn by children at the child care centre where such uniforms were offered prior to joining the OFM Test.</p> <p>This Optional Service does not include safety equipment such as matching t-shirts for offsite trips or a supply of clothing available on an as-needed basis (e.g., spare outerwear, underwear, socks) as funding for this equipment is provided through the Base Funding (i.e. the Programming Funding Envelope).</p> <p>The Participant may not introduce uniform requirements for an additional fee during the term of the OFM Test.</p>
Extracurricular Activities	<p>The Participant may continue to provide children at the centre with the opportunity to participate in optional extracurricular activities (e.g. music, yoga, sports) where the Participant was incurring additional costs for third</p>

	<p>party resources or expertise in relation to such activities prior to joining the OFM Test.</p> <p>The Participant may not introduce additional fees for extra-curricular activities during the term of the OFM Test.</p>
Additional Educational Programming	<p>The Participant may continue to provide children at the child care centre with the opportunity to participate in additional educational programming (e.g. tutoring) where the Participant was incurring additional costs for third party resources or expertise in relation to such programming prior to joining the OFM Test.</p> <p>The Participant may not introduce additional fees for additional educational programming during the term of the OFM Test.</p>
Custom Transportation	<p>The Participant may continue to offer to provide transportation between the child care centre and the child’s home, or alternate location as arranged with a parent, of a child at the child care centre if the Participant was doing so prior to joining the OFM Test.</p> <p>This Optional Service does not include any transportation which may be covered by the Transportation Programming Allowance (e.g. transportation to and from a child’s school and the child care centre for before- and after-school care).</p> <p>The Participant may not introduce additional fees for custom transportation arrangements during the term of the OFM Test.</p>

6 Affordable Child Care Benefit

All \$10 a Day ChildCareBC Participants must accept families eligible to receive the Affordable Child Care Benefit (ACCB). Families may be eligible to have all or part of the Parent Fee funded through the ACCB in accordance with provisions set out in the Early Learning and Child Care Act and Early Learning and Child Care Regulation. More information on the ACCB is available here: www.gov.bc.ca/affordablechildcarebenefit.

7 Irregular Expenses Funding

While the long-term goal of the OFM is to provide Participants with standardized funding to cover the delivery of quality, inclusive and culturally safe Child Care Services, the Province recognizes that there may be unexpected, unplanned or irregular expenses that exceed Base Funding. The Province may, in its sole discretion, grant a short-term adjustment to a Participant’s funding level, if the Participant is able to demonstrate the financial need, to address unforeseen costs that are not included in, or intended to be covered through, one or more of the Funding Envelopes. Participants will need to demonstrate a genuine, documented need for the funding adjustment,

that the funding shortfall resulted from no fault on the part of the Participant and that funding gaps cannot be addressed by re-allocating funding between Funding Envelopes, acknowledging limitations on this practice (as discussed in other sections of this Manual).

Types of requests that the Province will not approve include, but are not limited to:

- Any facility cost increase that could be attributed to a non-arm's length relationship as described above; arising from an individual not at arm's length⁷ from a Participant's staff/operator;
- Retroactive funding requests for costs incurred prior to receiving confirmation from the ministry that the expense(s) will be covered (e.g., retroactive increases in wages or an increase in child care spaces and staffing that were not pre-approved by the ministry);
- Repairs that may be covered by the [Maintenance Fund](#) and/or other funding source(s); and
- Capacity increases that may be covered through the ChildCareBC New Spaces Fund and/or other funding sources.

Irregular Expenses funding is not intended to take the place of insurance or of reasonably expected or planned expense increases which should be accounted for in a Participant's operational funding.

The Province will not consider any requests for additional funding for expenses incurred without the Province's prior approval or after the end of the Funding Agreement term or where the shortfall is or could have been covered by another funding source, such as insurance, uncollected Parent Fees or other government funding programs.

To submit a request for funding for irregular expenses, Participants must complete the application form and submit all required documents through the Applications section of the [My ChildCareBC Services Portal](#).

8 Overpayments and Unearned Revenue

An overpayment means that funding has been provided to a Participant that it was not eligible or entitled to receive or retain, or that the Participant has reported expenditures using funding on ineligible costs, including unauthorized reallocations of funding from one Funding Envelope to another, or use of Allowance funding for ineligible costs. The following is a list of some examples of overpayments:

- If the Participant has used funding for expenses that are not eligible costs;
- If the Participant has re-allocated funds in contravention of a Funding Envelope's restrictions;
- As a result of a clerical or administrative error or miscalculation on the Province's part, or due to incorrect information supplied by the Participant to the Province; and

⁷ Indigenous Governing Entities are exempt from the requirement that cost increases arise from an individual at arm's length.

- As a result of funds being pre-paid to a Participant for services that were not delivered to the extent that they were funded for.

Participants can find detailed information about overpayments and potential remedies, including the required repayment of funds, in their Funding Agreement (section 5 of the Funding Agreement).

Clerical or Administrative Error Examples

Examples of clerical or administrative errors include the following:

- Part-time spaces being incorrectly funded as full-time spaces; or
- Funding calculations based on incorrect information about a Participant's Operational Capacity.

Unearned Revenue Examples

Unearned revenue can include scenarios where the Participant fails to use the funding as required under their Funding Agreement or for expenses deemed ineligible. For example:

- Ceasing to provide Child Care Services as required under the Funding Agreement; or
- Failing to provide the required wage to Eligible Employees.

Further, as set out in the Funding Agreement, under-enrolment for three consecutive months or more will result in unearned revenue that may be recovered in full by the Province. When service has not been deemed delivered, such as when enrolment is consistently lower than reported Operational Capacity, the funding amount that a Participant receives over and above the amount associated with the actual enrolment numbers would be considered an overpayment.

9 Surplus Funding

Participants must submit financial records according to the timelines set out in their Funding Agreement, including within six months following the end of their fiscal year. The Province will use these and any other applicable records, information, and documentation to calculate any surplus funding retained by the Participant.

If, after fulfilling all obligations as required under their Funding Agreement, and subject to the terms applicable to each Funding Envelope, the Participant still has surplus Base Funding in excess of the maximum percentage permitted (see below) of the total Province Base Funding provided to it under their Funding Agreement and Parent Fees collected from Parents, the leftover amount in excess of the maximum percentage permitted is considered a debt owed back to the Province.

As described in the applicable Funding Agreement and illustrated in the Table below, not-for-profit organization, Indigenous not-for-profit organization and Indigenous Governing Entity Participants may retain a maximum percentage of surplus of 5%, and private corporations, partnerships, sole proprietors and any other for-profit Participants may retain a maximum percentage of surplus of 3%. At present, surplus can only be retained from funding provided

under the Programming, Administrative and Operational Funding Envelopes (Retained Surplus). Participants may not retain any surplus funds from either Province Base Funding or Parent Fees under their Instructional Human Resources or Facility Funding Envelopes. In addition, the Participant must repay any unspent funds from any Allowances to the Province, including the Indigenous Programming Allowance, the Support Needs Programming Allowance and the Transportation Programming Allowance.

	Maximum Surplus % of Total Base Funding	Funding sources from which surplus may be retained by the Participant (Retained Surplus)	Funding sources from which surplus may be recovered by the Province (Repayable Surplus)
Not-For-Profit Organizations, Indigenous Not-For-Profit Organizations and Indigenous Governing Entity	5%	Certain Funding Envelopes: <ul style="list-style-type: none"> • Programming • Administrative • Operational 	Certain Funding Envelopes: <ul style="list-style-type: none"> • Instructional Human Resources • Facility • Allowances
Private Organizations (ex: Corporations, Partnerships, and Sole Proprietors)	3%		

Participants may have additional sources of funding beyond the Province Base Funding (e.g., fundraising, grants, donations, etc.) which may be used at the Participant’s discretion. Using such other sources of funding to pay for expenses funded by the Province may result in surplus funding for the Participant. If a Participant uses other sources of funding to pay for costs not funded by the Province, the other source of funding will not be included in a surplus funding calculation.

10 Closure Policy

Closure periods are any days in which a participating child care centre is not open and providing licensed child care, but do not include Statutory Holidays.

Scheduled Closures

Participants may temporarily close for up to a total of 4 calendar weeks per Contract Year, (the “Scheduled Closure”), provided that a Scheduled Closure will not be less than a period of one calendar week, and continue to charge Parent Fees.

During Scheduled Closures, Participants will only receive Province Base Funding allocated to the Facility Funding Envelope and Allowances, to the extent applicable. Funding allocated to other Funding Envelopes, including the Instructional Human Resources Funding Envelope, will not be provided during Scheduled Closures.

For clarity, some Scheduled Closures may occur during periods that include Statutory Holidays. Participants will receive Province Base Funding for all days that fall within the Scheduled Closure period that are Statutory Holidays (e.g. Christmas Day and New Year's Day during a Scheduled Closure over the Holidays).

Additional Closures

If a Participant plans to temporarily close for a period of time which exceeds the Scheduled Closure period ("Additional Closure"), the Participant must obtain written approval from the Province prior to the closure. Further, the Participant must not charge Parent Fees for the Additional Closure period. During any Additional Closure periods, Participants will only receive Province Base Funding allocated to the Facility Funding Envelope and Allowances to the extent applicable. Funding allocated to other Funding Envelopes, including the Instructional Human Resources Funding Envelope, will not be provided during Additional Closures.

Unforeseen Closures

If a Participant must close a child care centre due to external circumstances outside of the Participant's control, (e.g., inclement weather, fires, floods) the Participant must submit an assistance request through the [My ChildCareBC Services Portal](#). Participants are encouraged to submit assistance requests as soon as possible, and ideally before the centre's closure.

During unforeseen closures, the following policies apply:

- Province Base Funding
 - For unforeseen closures lasting up to 14 consecutive days, Participants will continue to receive their regular Province Base Funding as set out in their Funding Agreement that is in place at the time of the closure.
 - The Province may, at its discretion and on a case-by-case basis, adjust the Participant's funding to cover fixed costs only (e.g., rent/lease) if the period of unforeseen closure extends beyond 14 calendar days. Participants in this circumstance must submit an assistance request through the [My ChildCareBC Services Portal](#).
- Allowances
 - The Province will continue to pay any Allowances payable during the unforeseen closure for a reasonable period of time, as determined by the Province in its discretion.
- Parent Fees
 - The Participant may continue to charge the Parent Fee during periods of unexpected closure not exceeding 14 consecutive days.

Closures and the Affordable Child Care Benefit

- Under the Early Learning and Child Care Regulation, the Affordable Child Care Benefit (ACCB) is not available when a Parent Fee is not charged, or when the child care centre is closed.
- Any ACCB received in advance by the Participant for the period of temporary closure must be returned to the Province. The Participant should contact the ACCB program through the [Service Provider Portal](#) or their usual contact preference to self-report the overpayment for assessment.

11 Reporting and Information Sharing

The Funding Agreement sets out various requirements with respect to reporting and information sharing, among other things. Some of these are discussed below.

11.1 Monthly Reporting

A Monthly Report is required and due within 30 days of the end of the month. For example, the report for February 2025 will be due March 30, 2025. \$10 a Day ChildCareBC Participants must complete their Monthly Report by entering data into the [My ChildCareBC Services Portal](#) under the reporting section.

For each Monthly Report, the Participant will need to provide detailed information regarding:

- Operational Capacity and the number of enrolled children for all types of care;
- The number of hours worked that month for each Eligible Employee;
- Funding Envelope expenses and any permitted reallocation of funds between Funding Envelopes;
- Optional Fees charged for permitted Optional Services;
- Other sources of revenues including donations, grants, fundraising, etc.; and
- Additional information as requested.

The Province will monitor and review Participants' capacity, costs, and expenditures through the Monthly Report. It is essential the Monthly Report is completed on time to allow for communication with Participants as necessary to clarify or gather additional information. A Monthly Report indicating that a Participant's funding may require adjustment could result in further action by the Province.

11.2 Financial Review

Schedule E of the Funding Agreement sets out financial reporting requirements for Participants and stipulates what types of financial information are required from Participants at what points in time. The Province will provide a template to support Participants in meeting their requirements. Annual financial statements are required no later than six months after the end of a Participant's fiscal year.

Note: Annual financial statements must be completed in accordance with Canadian Generally Accepted Accounting Principles (CGAAP).

In instances where the Province has reason to suspect the misuse of funds, the Province may initiate an investigation through provincial verification and auditing processes.

11.3 Information Sharing

In addition to the monthly reporting and information sharing requirements of all Participants in the OFM Test, Participants can expect to receive additional requests for information to assist the Province in its assessment and refinement of the OFM as part of the \$10 a Day ChildCareBC program. Information and feedback provided by Participants serves as meaningful feedback to the Province as it pursues its objective of developing a consistent and stable funding formula that works for both child care providers and families. These additional requests for information may take the form of surveys, interviews, and focus groups, and are described in Schedule E of the Funding Agreement.

12 Supporting Your Participation In The \$10 a Day ChildCareBC Program

Support is available to all child care providers participating in the \$10 a Day ChildCareBC program, no matter how big or small a challenge you might encounter. Every child care centre serving families in BC is unique, and sometimes help might be needed to successfully transition or sustain your operation to deliver the \$10 a Day ChildCareBC program. Rather than delay, as soon as you recognize assistance might be needed, please reach out through the [My ChildCareBC Services Portal](#) or call 1-888-338-6622, Option 7.

13 Resources

To support Participants and child care providers in the delivery of quality, inclusive and culturally safe Child Care Services, additional resources are provided below. These resources are for information purposes only and may be added to and updated in future versions of this Manual.

General Child Care Resources

- \$10 a Day ChildCareBC Centres: [\\$10 a Day ChildCareBC Centres - Province of British Columbia \(gov.bc.ca\)](https://www.gov.bc.ca/childcarebc/)
- ChildCareBC: [ChildCareBC - Province of British Columbia \(gov.bc.ca\)](https://www.gov.bc.ca/childcarebc/)
- Affordable Child Care Benefit: [Affordable Child Care Benefit - Province of British Columbia \(gov.bc.ca\)](https://www.gov.bc.ca/childcarebc/affordable-child-care-benefit/)

Resources to Support Child Care Professionals

- Child Care Resource and Referral: [Child Care Resource and Referral Centres - Province of British Columbia \(gov.bc.ca\)](https://www.gov.bc.ca/childcarebc/child-care-resource-and-referral/)
- Support for Early Childhood Professionals: [Support for early childhood professionals - Province of British Columbia \(gov.bc.ca\)](https://www.gov.bc.ca/childcarebc/support-for-early-childhood-professionals/)

Resources to Support Quality, Inclusive Programming

- Inclusive Child Care Resources and Supports: [Inclusive Child Care resources and supports - Province of British Columbia \(gov.bc.ca\)](https://www.gov.bc.ca/childcarebc/inclusive-child-care-resources-and-supports/), including the Inclusive Child Care Toolkit and Inclusive Toileting Resources.
- Foundations of Inclusive Child Care Online Training: [The Foundations of Inclusive Child Care Training Part 1 - Early Years Professional Development Hub](https://www.gov.bc.ca/childcarebc/foundations-of-inclusive-child-care-training-part-1-early-years-professional-development-hub/)
- [Behaviour in the Early Years Training and Resources](https://www.gov.bc.ca/childcarebc/behaviour-in-the-early-years-training-and-resources/)
- British Columbia Early Learning Framework (BC ELF): [Early Learning Framework – Province of British Columbia \(gov.bc.ca\)](https://www.gov.bc.ca/childcarebc/early-learning-framework-province-of-british-columbia/)
- Early Childhood Pedagogy Program: [Early Childhood Pedagogy Network – University of Western Ontario](https://www.gov.bc.ca/childcarebc/early-childhood-pedagogy-network-university-of-western-ontario/)
- First Nations Pedagogy Network: [BCACCS](https://www.gov.bc.ca/childcarebc/bcaccs/)
- Métis Nation of British Columbia Pedagogy Program: [Contact to Learn More](https://www.gov.bc.ca/childcarebc/contact-to-learn-more/)
- ECE Peer Mentoring Program: [ECEBC](https://www.gov.bc.ca/childcarebc/ecebc/)

Resources to Support Indigenous Programming and Cultural Safety, Humility and Wellness

- Aboriginal Child Care Resource and Referral Program: [Aboriginal Child Care Resource and Referral Program - BC Aboriginal Child Care Society \(acc-society.bc.ca\)](https://www.gov.bc.ca/childcarebc/aboriginal-child-care-resource-and-referral-program-bc-aboriginal-child-care-society/)
- Métis Nation BC Early Years: [Education: Early Learning | K-12 | MNBC](https://www.gov.bc.ca/childcarebc/education-early-learning-k-12-mnbc/)
- Indigenous Early Learning and Child Care Frameworks: [Indigenous Early Learning and Child Care - Canada.ca](https://www.gov.bc.ca/childcarebc/indigenous-early-learning-and-child-care-canada.ca)
- [Early Years Indigenous Cultural Safety Resource Guide](https://www.gov.bc.ca/childcarebc/early-years-indigenous-cultural-safety-resource-guide/)

Resources to Support Child Care Facilities

- Childcare BC Maintenance Fund: [Maintenance Fund - Province of British Columbia \(gov.bc.ca\)](#)
- Government of Canada's Enabling Access Fund: [Enabling Access Fund \(gov.gc.ca\)](#)

14 Key Contact

If you have any questions about the \$10 a Day ChildCareBC program, including questions or concerns related to your Funding Agreement or changes in your circumstances, contact the program through the [My ChildCareBC Services Portal](#) or call 1-888-338-6622, Option 7.

Appendix

15 Appendix A – Eligible Costs

15.1 Base Funding Eligible Costs

[Instructional Human Resources Funding Envelope](#)

This Funding Envelope is for the specific eligible human resources and professional development cost line items for employees who provide Core Services. This Funding Envelope excludes employees who provide administrative, janitorial or similar services, which are provided for under other Funding Envelopes. Information about the specific line items funded through the Instructional Human Resources Funding Envelope can be found in the main [body](#) of this Manual.

[Programming Funding Envelope](#)

This Funding Envelope is for eligible costs associated with delivering early childhood program elements of Core Services.

Food

Includes: snacks.

Programming Supplies

May include: books, toys, art, materials, diapers, bedding, clothing (e.g. matching t-shirts for offsite trips and a small supply of clothing available on an as-needed basis, such as spare outerwear, underwear, socks), other program equipment.

Small Equipment

May include: cribs, strollers, easels and tables.

Program Activities

May include: field trips or regular extracurricular activities for which Optional Fees are not payable.

Cultural Programming

Materials and resources in alignment with the [BC Early Learning Framework](#). See the [Indigenous Programming Allowance](#) for more information and funding available to Participants.

Inclusion Programming

Materials and resources in alignment with the [Inclusive Child Care Strategy](#), [BC Early Learning Framework](#) and the [Inclusive Child Care Toolkit](#). See the [Support Needs Programming Allowance](#) for more information and funding available to Participants.

Health and Safety Supplies

May include: cleaning materials, gloves, masks, hand sanitizer, first aid kits, earthquake kits, etc.

[Administrative Funding Envelope](#)

This Funding Envelope is for eligible human resources and administrative costs not directly associated with delivery of Child Care Services and not covered by any other Funding Envelope.

Non-Instructional Wages and Human Resources Administration (including Driver Wages)

Dues associated with being registered with ECEBC or other child-care related professional associations

Licensing fees

Legal expenses, pre-approved by the Province, related to business operations

Liability Insurance

Communications and Marketing

Mileage for Business Related Travel

Funding for staff travel costs for business related to the operations of the business, such as grocery shopping for food covered under the Base Funding, and that are not covered by any other Funding Envelope. This does not include costs for transporting children supported under the Transportation Programming Allowance or any transportation associated with any Optional Service, including Custom Transportation.

Office Supplies

Other Overhead Costs

May include: accounting expenses, bank charges, recruitment expenses, financial reporting/accounting/audit expense.

[Operational Funding Envelope](#)

This Funding Envelope is for eligible costs associated with operating and maintaining the child care centre, excluding rent, lease or mortgage costs.

Monthly or Annual Maintenance and Minor Repairs

May include: costs directly related to labour costs, property insurance, garbage disposal.

Property Insurance

Office Furniture and Equipment

May include: laptops, tablets, cell phones used for the operation of the business, desks, chairs, tables, etc.

Utilities

May include: gas, electricity, water, phone, internet.

Upkeep

May include: garbage removal, recycling charges, applicable supplies.

Child Care Centre Maintenance and minor improvements

May include: repairs, appliance/furniture replacement, snow removal.

Janitorial Services

Other Operating Expenditures - Contact the Province for further information.

Facility Funding Envelope

This Funding Envelope is for eligible costs associated with the rental, lease or mortgage costs for the child care centre. Funding for eligible costs in this Funding Envelope is provided on a cost pass through basis up to a maximum eligible amount determined by the Province. All costs associated with this Funding Envelope must originate from a third party that has an arm’s length relationship to the Participant⁸. For more information please refer to the “Facility Funding Envelope” section of this Manual. **Eligible costs for amounts allocated to this Funding Envelope are limited to those listed below.**

Rent/Lease costs, provided that such rent or lease payments are paid to a third party at arm’s length⁹

Mortgage costs (principal and interest) if the Participant is a Not-for-Profit or an Indigenous Governing Entity, provided that such mortgage payments are paid to a third party at arm’s length¹⁰

Strata Fees

Property Taxes

See [Appendix B](#) for a list of ineligible costs under Base Funding.

15.2 Allowance Eligible Costs

Description of Allowances for Additional Services (Equity and Inclusion Services)	Eligible Costs
<p>The Indigenous Programming Allowance is intended to provide additional funds to support and enhance a Participant’s delivery of Indigenous curriculum in collaboration with</p>	<p>Eligible costs may include (but are not limited to):</p> <ul style="list-style-type: none"> • Honoraria for Elder involvement, language revitalization and/or other resource people including curriculum development resources. • Culturally based meals and traditional foods. • Materials for a cultural program (beads, wood, food, etc.). • Books, music, videos, and arts and crafts materials. • Culturally relevant toys and games.

⁸ Indigenous Governing Entities are exempt from the requirement that Rent/Lease agreements be with a third-party at arm’s length.

⁹ GST is not an eligible expense for Rent/Lease costs.

¹⁰ Corporations, partnerships, sole proprietor Participants are not eligible to receive funding under the OFM Test to cover mortgage payments for privately held assets. If the Participant is an Indigenous Governing Entity, the requirement for mortgage payments to be paid to a third party at arm’s length is waived.

<p>Indigenous Peoples in their communities.</p>	<ul style="list-style-type: none"> • Child care centre décor enhancement-pictures, including artwork, outdoor play, and natural materials. • Field trips and outings. • Land-based play supports <p>Ineligible costs include:</p> <ul style="list-style-type: none"> • Staffing enhancements for the purposes of reducing ratio (i.e. more staff to provide child care to the same number of children.)
<p>The Support Needs Programming Allowance is intended to support inclusive programming at the child care centre to enable all children, including children with support needs, to participate meaningfully at the child care centre with the assistance of equipment, program resources and minor modifications for accessibility.</p>	<p>Eligible costs include equipment, program resources and minor modifications to the child care centre intended to enable all children, including children with support needs, to participate meaningfully with other children at the child care centre.</p> <p>These costs:</p> <ul style="list-style-type: none"> • May be used to enhance resources and materials expected to be provided in a child care setting with the intention of increasing accessibility and inclusion for all children. For example, a child who has difficulty accessing the sink and toilet because of mobility challenges may benefit from a ramp and/or a robust toileting step stool to maintain stability while toileting. This modification would be beneficial for all children at the child care centre, increasing inclusion and accessibility overall. • May include resources to proactively support inclusion of children with diverse needs (e.g., sensory toys). • May address accessibility enhancements in the child care centre (e.g., wheelchair ramps, automatic door installations, and bathroom renovations). <p>Ineligible costs include:</p> <ul style="list-style-type: none"> • Additional staffing to support individual children on the floor, including short- or long-term support workers. • Individualized, therapeutic, or medical equipment (e.g., specialized stroller, specialized car seat).

Description of Allowances for Discretionary Services	Eligible Costs
<p>The Transportation Programming Allowance is for dedicated child care vehicles to safely transport children between a child care centre and school or a collective point of access to support the regular, ongoing Core Services.</p>	<p>Eligible costs:</p> <p>Lease or Financing Costs: Participants will submit their monthly financing/lease costs for designated vehicles used by the Participant for the purposes of safe transportation of children between the child care centre and school or a collective point of access where geographical distance or obstacle (e.g. a body of water) creates an ongoing barrier for families and Participants. Additional information may be required where financing costs are different from the previous years' identified lease information.</p> <p>Mileage: Participants will submit their estimated applicable mileage for the year for their designated vehicle. This Allowance supports all routine, non-lease related vehicle costs, including fuel, insurance, depreciation, and routine maintenance, through the Province's standard mileage rate for private vehicles, which is \$0.63/km for 2024/2025. At the end of each Contract Year, Participants will be required to submit their actual mileage for applicable child care transportation with their OFM Test-specific statement of operations. Where the actual mileage is lower than the Participant's original estimates, the Participant must repay the applicable funds to the Province.</p> <p>Ineligible costs include:</p> <ul style="list-style-type: none"> • Transportation costs from transporting children to and from program activities (e.g., field trips or regular extracurricular activities) or to and from custom locations (e.g., the child's home or parents' place of employment). Transportation for field trips or regular extracurricular activities would be covered under the Programming Funding Envelope and transportation to custom locations would be covered under Optional Services, as applicable. • Reimbursement for staff for activities related to child care operations (e.g., travel to the grocery store). This would be covered under the Administrative Funding Envelope. • Wages for dedicated driving staff. This would be covered under the Administrative Funding Envelope. • Other forms of transportation, such as ferries, taxis, or ride sharing services, or rental of vehicles. • Costs related to vehicle accessibility modifications. • Drivers' licensing costs. • Tickets or other traffic violation fines related to transportation.

See [Appendix B](#) for a list of ineligible costs under Allowances.

16 Appendix B – Ineligible Costs

Below is a list of expenses that are not funded by the OFM and must be covered by the Participant through other funding sources, which can include fundraising, donations, grants, etc. Contact the Province for further information about ineligible cost items through the [My ChildCareBC Services Portal](#).

Base Funding Ineligible Costs
Proprietary programming fees and materials, licencing, training, certification, and salary premium costs
Legal Expenses, except to the extent expressly pre-approved by the Province under the Administrative Funding Envelope
Bad Debts (e.g. unpaid Parent Fees)
Loans (except for mortgages funded under the Facility Funding Envelope and car loans funded under the Transportation Programming Allowance)
Amortization/Depreciation of capital assets
Business related meals/entertainment
Fundraising costs
Staff gifts
Taxes – including GST on leases
Vehicle rental
Equipment purchases (Capital assets, not including vehicles)
Home improvements
Allowance Ineligible Costs
Indigenous Programming Allowance Ineligible costs
Staffing enhancements for the purposes of reducing ratio.
Support Needs Programming Allowance Ineligible costs
Additional staffing to support individual children on the floor, including short- or long-term support workers.
Individualized, therapeutic, or medical equipment (e.g., specialized stroller, specialized car seat.)
Transportation Programming Allowance Ineligible costs
Funding to transport children to and from program activities (e.g., field trips or regular extracurricular activities) or to and from custom locations (e.g., the child’s home or parents’ place of employment). Transportation for field trips or regular extracurricular activities would be covered under the Programming Funding Envelope and transportation to custom locations would be covered under Optional Services, as applicable.
Reimbursement of staff for activities related to child care operations (e.g., travel to the grocery store). This would be covered under the Administrative Funding Envelope.
Wages for dedicated driving staff. This would be covered under the Administrative Funding Envelope.

Other forms of transportation, such as ferries, taxis, or ride sharing services, or rental of vehicles.
Costs related to vehicle accessibility modifications.
Drivers' licencing costs.
Tickets or other traffic violation fines related to transportation.

17 Appendix C - Glossary

The following is a list of some of the defined terms that are used in this Manual and in the Funding Agreement. For the purposes of this Manual, these defined terms have the definitions set out below.

“Additional Services” (Equity and Inclusion Services) means Support Needs Programming and Indigenous Programming, collectively, as described in the “Operating Funding” section of this Manual. All Participants are able to apply for Allowances in order to support their delivery of Additional Services (Equity and Inclusion Services.)

“Affordable Child Care Benefit” or **“ACCB”** means the child care benefit paid by the Province under the **Early Learning and Child Care Act**.

“Allowances” means the additional funding that the Province may provide to a Participant to provide Additional Services (Equity and Inclusion Services) or Discretionary Services, as applicable.

“Base Funding” means the funding that a Participant receives for the provision of the Core Services, which consists of the Province Base Funding and the Parent Fees.

“Child Care Services” means the Core Services, Additional Services, Discretionary Services and Optional Services, collectively, as described in the “Operating Funding” section of this Manual.

“Contract Year” means each period of one year of the term of the Participant’s Funding Agreement with the Province, commencing on the “Effective Date” as defined in that Funding Agreement.

“Core Services” means the provision of care and supervision to all Enrolled children and any children accessing a Drop-In Space at a child care centre, which are funded through the Base Funding.

“Discretionary Services” means those services provided by a Participant, in its discretion, which are funded by the Province through the Transportation Programming Allowance. Discretionary Services are currently limited to Transportation Programming.

“Drop-In Space” means a Child Care Space that is available to be accessed on a drop-in basis by a child while it is unoccupied.

“Early Childhood Educator” or **“ECE”** means a person who holds a valid early childhood educator certificate, a special needs early childhood educator certificate or an infant and toddler

educator certificate, issued by the BC Early Childhood Educator Registry under sections 25, 26 or 31 of the CCLR, as applicable.

“Early Childhood Educator Assistant” means a person who holds a valid early childhood educator assistant certificate, issued by the BC Early Childhood Educator Registry under section 27 of the CCLR.

“Eligible Employee” means an Early Childhood Educator, an Early Childhood Educator Assistant or a School Age Care Provider.

“Enrolled Child” means a child who is registered to occupy an Enrolled Space.

“Enrolled Space” means a Child Care Space that is included in the calculation of Operational Capacity and that is occupied by an Enrolled Child.

“Full-Time Equivalent” or **“FTE”** means an Eligible Employee who works 1957.5 hours or more in a one-year period, as determined by the Province in its discretion.

“Funding Agreement” means the applicable Operating Funding Model Test Funding Agreement between the Province and a Participant. The Funding Agreement between the Province and a Participant is a legal agreement, and this Manual is a program resource. A template version of the Funding Agreement can be viewed in the Help and Resources section of the [My ChildCareBC Services Portal](#).

“Funding Envelopes” means the five funding envelopes set out in the “Base Funding” section of this Manual.

“Licence Type” means a “care program”, as defined in the CCLR, provided by the Recipient at the Child Care Centre, as set out in Appendix A-1 of the Funding Agreement.

“Licensed Capacity” means the total number of Child Care Spaces that may be occupied based on all the Licence Types issued for the Child Care Centre, as set out in Appendix A-2 of the Funding Agreement.

“Manual” means this \$10 a Day ChildCareBC Centres Operating Funding Model Test: Phase 2 – 2024 Intake Policy and Procedures Manual.

“Monthly Report” means the monthly report for a child care centre operated by a Participant for the OFM Test.

“Operational Capacity” means the total number of Child Care Spaces that may be occupied based on the operational capacity of the Child Care Centre as determined by the Recipient, as set out in Appendix A-2 of the Funding Agreement. Operational Capacity is equal to the number of Enrolled Spaces and the number of Vacant Spaces. Operational Capacity is equal to or less than the Licensed Capacity.

“Optional Fees” means the fees paid by Parents who elect to purchase Optional Services that are in addition to fees for the delivery of Core Services, as described in the “Optional Fees” part of the “Parent Fees” section of this Manual.

“Optional Services” means those services detailed in the table in the “Optional Fees” part of the “Parent Fees” section of this Manual, that a Participant was providing prior to joining the OFM, which are not covered by the Base Funding and which may be offered by the Participant to Enrolled children at the applicable child care centre, and any children accessing a Drop-In Space.

“Parent” in relation to an Enrolled Child or a child accessing a Drop-In Space, means a parent or a person who stands in place of a parent of the child.

“Parent Fee” means the restricted portion of Base Funding that a Participant will charge Parents, excluding Optional Fees.

“Province Base Funding” means the funding that the Province provides to a Participant under the Funding Agreement for the provision of the Core Services.

“Statutory Holiday” means a “holiday” as defined in the *Interpretation Act*, R.S.B.C. 1996, c. 238.

“Repayable Surplus” means a Surplus that a Participant has at the end of a Contract Year or on the Termination Date in the Instructional Human Resources Funding Envelope, the Facility Funding Envelope or an Allowance.

“Retained Surplus” means a Surplus that a Participant has at the end of the Term in the Programming Funding Envelope, the Administrative Funding Envelope or the Operational Funding Envelope. Retained Surpluses are subject to maximum amounts, as described in the “Surplus Funding” part of the “Unearned Revenue and Other Overpayments” section of this Manual and in the Funding Agreement.

“Universal Service Standards” means the minimum standards for the provision of Child Care Services to children at a participating child care centre, as described in the “Universal Service Standards” section of this Manual.

“Vacant Space” means a Child Care Space that is included in the calculation of Operational Capacity and that is not occupied by an Enrolled Child.