

COMMUNITY LIVING BRANT

TRANSFER PAYMENT CYCLE

The primary funding sources for Community Living Brant are the Ministry of Children, Community and Social Services (MCCSS) and the Corporation of the City of Brantford (EarlyON Centre). This financial relationship is referred to as a Transfer Payment Agency.

The Transfer Payment Business Process is a service and financial management system that defines the Ministry's relationship with the Service Provider/Agency. The process emphasizes accountability and the achievement of results. All financial arrangements between the Ministry and the Agency are carried out within the framework of a 5-Element Business Cycle.

The 5-Element Business Cycle

1. Budgeting:

The budget is the plan for the next year's provision of services and associated expenditures and revenues. The submission to the Ministry is based on the current year's annualized approval and must be submitted in a prescribed format. The budget is typically submitted to the Audit Committee, then to the Board of Director's for approval, then forwarded on to the Ministry.

MCCSS has been revising their schedule for submission. In 2023/2024 the budget was due in June. The templates for the 2024/2025 submission have not yet been posted to the Ministry Portal.

2. Service Contracts:

Once the Ministry has received the Budget, generally the MCCSS Program Supervisor will meet with the Agency to review the package. The Service Contract is the confirmation of this budget negotiation process and is the formal agreement between the Ministry and the Agency.

The Service Contract is amended throughout the year if funding changes. This can be as a result of new services, new funding announcements, reorganization, etc. Changes can be fiscal and/or annualized.

3. Payments to Agency:

Based on the size of the Agency's subsidy, the Ministry establishes a payment schedule. Community Living Brant receives subsidy payments monthly. If the fiscal subsidy changes throughout the year, these monthly payments are adjusted accordingly.

4. Year-To-Date Reporting and Monitoring:

In 2023/2024, MCCSS continued to revise the reporting process. This timeline may be amended by the Ministry if there are issues with the reporting process or delays in information required by the agencies to complete the reports.

In accordance with the approved Service Contract and as per Ministry Policy, the Agency must report the year-to-date service and financial information. This report (also in a prescribed format) compares actual vs. budgeted data. Currently, this interim report is for the 7-month period ended October 31st.

The City of Brantford operates on a calendar year. The reporting timelines are quarterly with the deadlines 15 days following the end of the quarter.

5. Year-End Reporting:

There are several reports that must be completed at the end of the fiscal year in accordance with legislation and the Service Contract.

- Audited Financial Statements and the Auditors' Management Letter to the Board of Directors—due July 31st.
- Year-End Reporting (same as the quarterly reports comparing actual to budgeted data—financial and service targets). (MCCSS only)—due July 31st
- Transfer Payment Annual Reconciliation (TPAR). This report is a cash flow reconciliation that compares the approved subsidy, the actual

subsidy spent, the actual subsidy received by the Ministry, and the Audited Financial Statements. If surplus funds are identified, they must be returned to the Ministry. This report is due July 31st.

(Note: These reports and timelines may be subject to change).

The above outlines the annual Transfer Payment cycle with the Ministry. As you can see from some of the timelines and due dates, the process can overlap. For example, budgeting for the next year begins before the completion of the current year.

The following is a list of terms commonly referred to in the Business Cycle:

Amendment	Changes to the Service Contract throughout the fiscal year.
Annualized	Funds required to support the ongoing services of the Agency. This is also referred to as base funding and is used as the basis to continue flowing funds to the Agency until the Service Contract has been renewed or amended.
Budget Year	April 1 st to March 31 st (January 1 st to December 31 st for EarlyON Centre)
CAA	Centrally Allocated Administration Expenses.
Detail Code	An Agency delivers a defined service or set of related services in a group, sometimes referred to as a program. Each service is defined in the MCCSS Chart of Accounts and assigned a Detail Code number. This number is used throughout the Transfer Payment Business Process Cycle and in processing payments to Agencies.
DS	Developmental Services
Fiscal	Refers to the current year only.
FTE	Full Time Equivalent Staff. One FTE = one staff working 40 hours per week * 52 weeks or 2080 hours.

MCCSS	Ministry of Children, Community and Social Services
Revenue	Funds received by the Agency other than Ministry Subsidy
Service Target	Budgeted services in the Service Contract i.e. # of individuals, hours of support, staffing hours, etc.
TPAR	Transfer Payment Annual Reconciliation
TPR#	The Ministry uses the Service Management Information System (SMIS) to track Transfer Payment Organization contacts and addresses. This is the number assigned to the Agency in this System.
Variance	Difference between the financial and service targets on the Service Contract and the actual results.
YTD	Year-to-Date—generally refers to the quarter end results.

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