



Orientation Handbook **for new Board Directors**

Created by: Dom Jackson, Director April 2011

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Introduction

Welcome to the Board of Directors of Owl Child Care Services of Ontario!

We look forward to working with you and benefiting from the skills and knowledge that you will be contributing.

As most new directors have had little or no previous experience serving on the board of a non-profit child care organization, some preparatory materials will assist you in understanding how the organization and board are structured. This, in turn, will allow you to maximize your contribution as quickly as possible.

This handbook is intended to give you some background and a summary of information on:

- The Owl organization and its centres
- Your responsibilities as a board director
- What you can expect at board meetings
- The responsibilities of the various committees
- How the board functions

You will notice that at the end of many of the handbook's sections, there is a brief self-test. These are intended to help reinforce the material you have reviewed. Your answers are not submitted to anyone. If you find that you are unable to answer many of the questions on the self-test, you may wish to review that section again until you are more comfortable with the material.

Owl's Vision

Every child is valued and reaches their potential.

Owl's Mission Statement

Owl Child Care provides nurturing, play-based early learning to support each child in realizing their potential while giving families peace of mind.

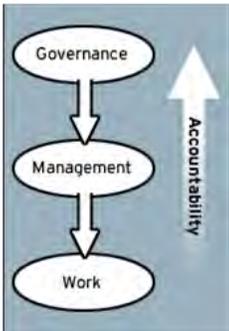
To learn more about Owl's Values, Beliefs and Guiding Principles visit www.owlchildcare.org/values-beliefs.

Section 1 Owl's Governance Model

The Board of Directors is responsible to determine the Governance Model to be used within the organization. A governance model outlines the policies and practices for how the Board of Directors will direct the organization and how the Board interacts with management.

We all have a Role to Play

According to Canada's *Institute on Governance*, there are three different roles that are necessary for an organization to fulfill its mission. They are: governance, management and work.

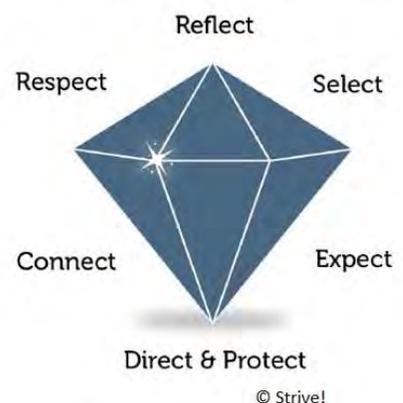


- **Governance** is about the strategic decision-making that shapes the organization and its work. It's also about being ultimately accountable for the work and actions of the organization. In this new model, the Volunteer-led Board of Directors will fill this role.
- **Management** is the link between governance and work. It involves the organization of tasks, people, relationships and technology needed to get the job done. The Executive Director, in partnership with his/her management team, will fill this role: overseeing the planning and evaluation of the work.
- **Work** is about performing the daily tasks that move us toward fulfilling our Mission. Front-line and administration staff will work together to carry out these basic functions.

To further clarify the governance roles and practices used at Owl, the Board of Directors has adopted the Governance Excellent Model as the formal governance model for Owl.

You can find more detailed information about Owl's governance model, and how it influences your role as a director under Tab 2.

Governance Excellence Model





On the next page you will find a brief self-test, covering material from this section.

(Answers will be found on the page afterwards.)

Use this self-test to evaluate for yourself how well you grasped the material covered. Go back and review any areas you need to.

Self-Test

Owl's Governance Model

1. What are the 3 different roles that are necessary for an organization to fulfill its mission:
 1. governance, management and accountability
 2. management, accountability and work
 3. governance, volunteerism, and management
 4. governance, management and work

2. True or False? Owl's governance model dictates that in order for the board to be effective, it must be directly involved in the organization's day-to-day operations.

3. Centre supervisors would fit in best with which portion of the governance structure:
 - a) governance
 - b) management
 - c) work

Self-Test Answers

Owl's Governance Model

1. d) governance, management and work
2. False. The board will monitor the performance of the organization as a whole, but will *not* be involved in the day-to-day operations. Instead, it will focus on the “bigger picture” of organizational achievement.
3. b) management

Section 2 Owl Child Care Services of Ontario – Who We Are

Owl is a non-profit, charitable organization that provides care for over 850 children across 8 centres in Waterloo Region:

- 4 in Waterloo (St. Luke, St. Matthew, St. Nicholas, Lincoln Road)
- 2 in Kitchener (Saint John Paul II, John Sweeney)
- 1 in Cambridge (Our Lady of Fatima)
- 1 in Ayr (St. Brigid) – set to open in January 2018

Lincoln Road is the only centre not located in a school.

Specifically, our centres are located at:

- Saint John Paul II – 75 Pebblecreek Drive, Kitchener (Fairway/Lackner)
- John Sweeney – 185 Activa Ave., Kitchener (Ottawa/Fischer-Hallman)
- Lincoln Road – 146 Lincoln Rd., Waterloo (University/Weber)
- Our Lady of Fatima – 55 Hammet St., Cambridge (Cooper/Queen)
- St. Brigid – 50 Broom St., Ayr (Broom/Douglas)
- St. Luke – 550 Chesapeake Dr., Waterloo (Bridge/Northfield)
- St. Matthew – 405 Pastern Trail, Waterloo (University/Bridge)
- St. Nicholas – 525 Laurelwood Drive, Waterloo (Laurelwood/Erbsville)

Our administrative offices are located at:

- 2-10 Washburn Drive, Kitchener (Bleams/Fischer-Hallman)

All the school-based centres are located in separate schools, despite the fact that Owl is a non-faith based organization. Its presence in the schools began because the Waterloo Catholic District School Board amortizes its rent over 25 years, whereas the Waterloo Region District School Board amortizes it over 20. It was, therefore, more financially advantageous for Owl to work with the separate school board. Over time, it has also become a very positive and cooperative relationship.

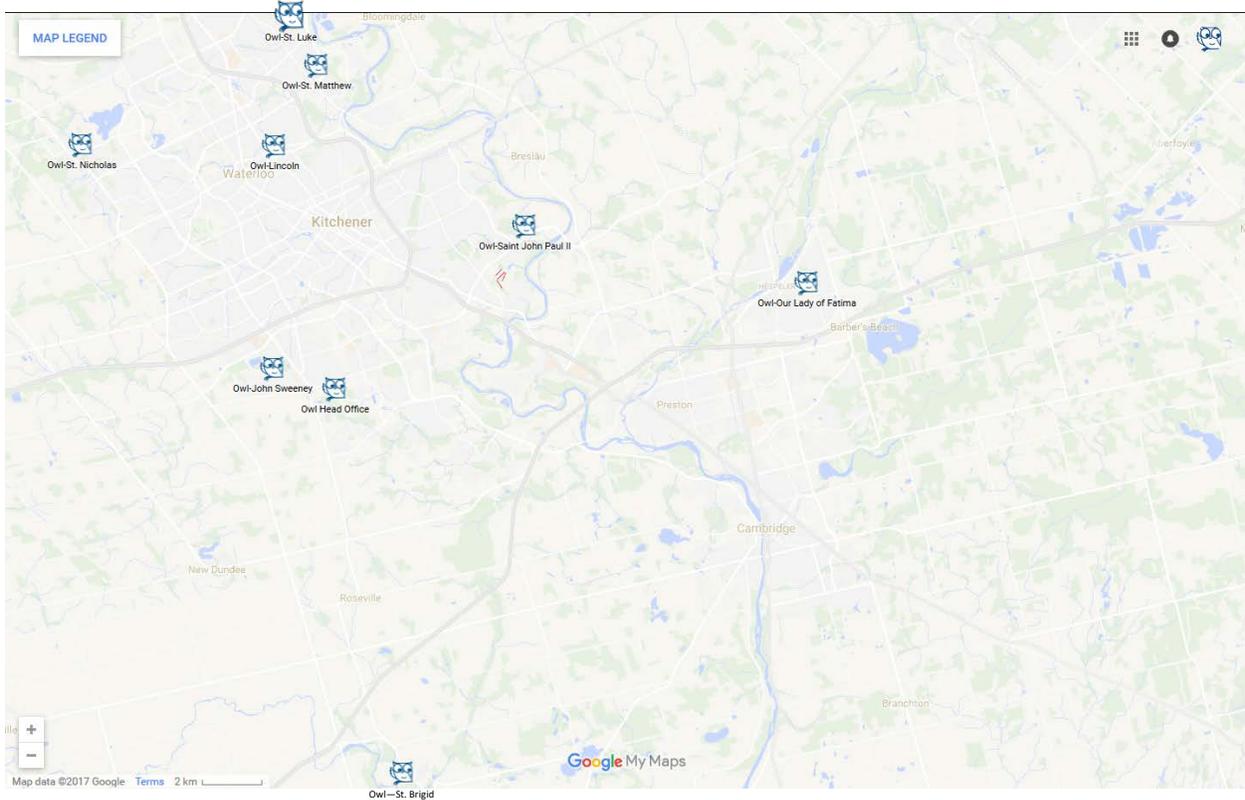
Owl strives to maintain a balance between consistency of offering and meeting the needs of the community; therefore, there are small variations in offerings provided at some of the centres:

Centre	Infant	Toddler	Preschool	Before & After School
Saint John Paul II	x	x	x	x
John Sweeney		x	x	x
Lincoln Road	x	x	x	
Our Lady of Fatima		x	x	x
St. Brigid	x	x	x	x
St. Luke		x	x	x
St. Matthew		x	x	x
St. Nicholas		x	x	x

Owl follows the Government of Ontario's age groupings for child care, as follows:

- Infant – A child under 18 months of age.
- Toddler – A child from 18 to 30 months of age.
- Preschool – A child from 31 months up to and including 5 years of age.
- Before & After School Programs:
 - Junior/Senior Kindergarten (JK/K) – A child 44 months of age or over and up to and including 67 months of age as of August 31, who is eligible for junior or senior kindergarten school attendance.
 - Primary/Jr. School Age – A child 68 months of age or over as of August 31 (who is eligible for Grade 1 attendance) and up to and including 10 years of age.

Child Care Centre locations



Administration Staff

Senior Management Team



Lori Prospero, CAE
Executive Director

As the senior-most staff person, the Executive Director (ED) works in partnership with the Board of Directors to establish policy and set the direction (i.e., strategic plan) for Owl and supports the Board in fulfilling its governance role. The ED provides leadership and manages the development, implementation and evaluation of Owl's programs and services in a manner consistent with Owl's mission, values, beliefs and guiding principles.
[p] 519-894-0581, ext. 102
[e] lprospero@owlchildcare.org



Kris Parsons, RECE
Director of Operations

The Director of Operations (DO) takes the lead on Human Resources practices and objectives that provide an employee-oriented, high performance culture to emphasize empowerment, quality, productivity, goal attainment, and the recruitment and ongoing development of a superior workforce. As a key member of the senior management team, the DO provides input and recommendations to the ED on the overall management of Owl's programs and services and is the Acting ED when she is absent.

[p] 519-894-0581, ext. 103
[e] kparsons@owlchildcare.org

Accounting Team



Thomas Hemming, CGA
Accounting Manager

The part-time Accounting Manager is a resource to the senior management team and a member of the Board's Finance committee. She is responsible for preparing realistic budgets and ensures that financial reporting is accurate and produced efficiently. The Controller simplifies, interprets and communicates financial matters effectively. She liaises with financial professionals and our auditors to ensure Owl is meeting applicable standards and in line with regulations.
[p] 519-894-0581, ext. 104
[e] themming@owlchildcare.org



Brenda Kennedy
Finance & Admin Coordinator

The Finance & Admin Coordinator (FAC) is responsible for customer invoicing and administration of bi-weekly payroll and related functions (i.e., benefits). The FAC works closely with the Accounts Coordinator on accounts payable and accounts receivable.
[p] 519-894-0581, ext. 105
[e] bkennedy@owlchildcare.org



Dianne Levasseur
Accounts Coordinator

The Accounts Coordinator is responsible for data entry and monthly reconciliations of financial transactions including trial balance and preparation draft financial statements. She is responsible for the daily operations of the Accounts Payable and specific Accounts Receivable functions (e.g., collections). The Accounts Coordinator provides support to the management team and the FAC, in all areas of overlapping responsibilities and provides additional data as required.
[p] 519-894-0581, ext. 101
[e] dlevasseur@owlchildcare.org



Michele Little, CHRP
HR/Admin Coordinator

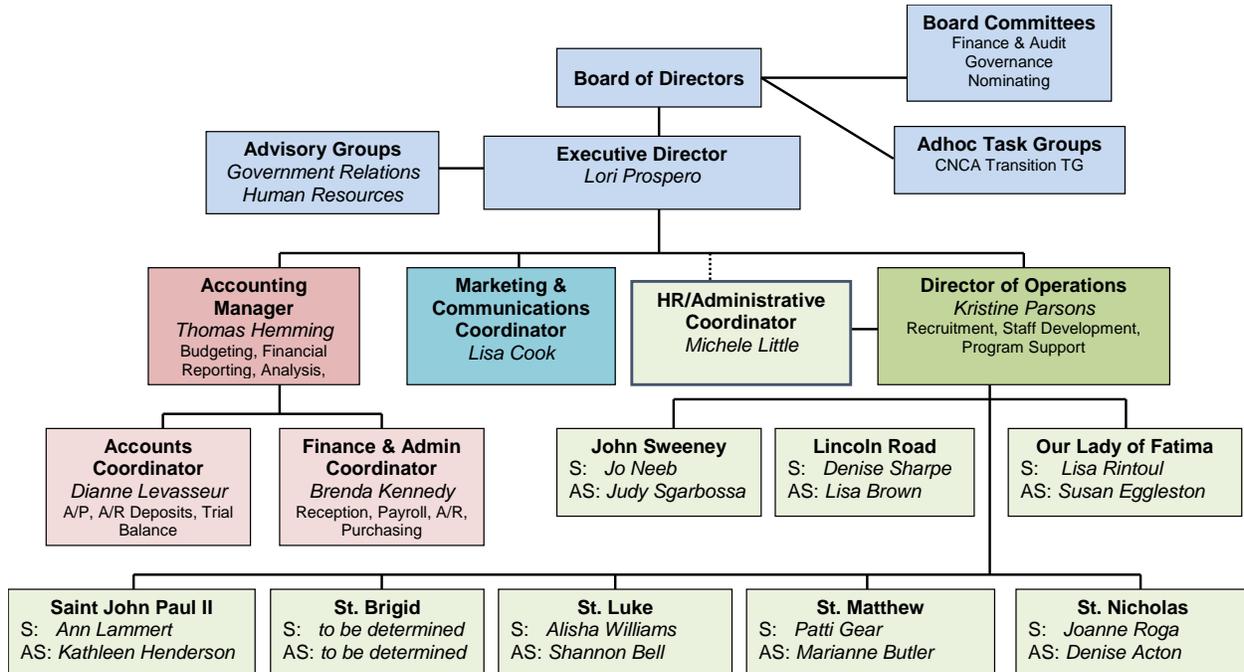
The HR/Admin Coordinator duly reports to the Director of Operations and the Executive Director. Approximately 3 day per week her time is focused on recruitment and selection. The other two days, she provides administrative support to the board and executive director.
[p] 519-894-0581, ext. 106
[e] mlittle@owlchildcare.org



Lisa Cook
Marketing Communications
Coordinator

The Marketing Communications Coordinator works part-time and is responsible to ensure that the overall branding of Owl Child Care is maintained throughout its' marketing and communications functions. She develops marketing communication materials, is responsible for copy-editing/copy-writing and coordinates Owl's social media messaging. Under the direction of the Executive Director, the Marketing Communications Coordinator assists in the development — and coordinates the implementation of — marketing strategy and plans.
[p] 519-894-0581, ext. 107
[e] lcook@owlchildcare.org

Organizational Chart



S = Supervisor; AS = Assistant Supervisor



On the next page you will find a brief self-test, covering material from this section.

(Answers will be found on the page afterwards.)

Use this self-test to evaluate for yourself how well you grasped the material covered. Go back and review any areas you need to.

Self-Test

Who We Are

1. True or False? Owl Child Care Services of Ontario operates centres throughout the Golden Horseshoe.
2. True or False? Owl is the preferred child care provider for the separate school board due to its faith-based program.
3. True or False? In order to provide a consistent offering, all of Owl's centres provide the same programs for the same age groups.
4. True or False? The supervisors of each centre report to the Executive Director.

Self-Test Answers

Who We Are

1. False. At the present time, Owl operates 7 centres in Waterloo Region only.
2. False. Despite the fact that Owl has 6 of its centres located in Catholic schools, it is not a faith-based organization.
3. False. The offerings may vary in order to best meet the needs of the families in those communities.
4. False. The centre supervisors report to the Director of Operations.

Section 3 **A Brief History of Owl**

Owl Child Care Services of Ontario started as a private corporation in 1981.

Its first centre was at Forest Hill Public School, with 24 children and 3 staff. By the end of 1983, Owl had 3 centres, 136 licensed spaces and 23 staff. Owl's fourth centre opened in 1986, sharing facilities with K-W Habilitation Services, with 45 children and 8 staff.

In the fall of 1987, the Ontario government enacted child care policies that would threaten Owl's financial survival, such as:

- Non-profit child care centres would receive a 100% wage subsidy versus only 50% for private operations.
- Municipalities were discouraged from entering into purchase of service agreements with private centres; therefore, families requiring subsidies would be unable to obtain child care from Owl.

In 1990, the Ontario government announced the "Conversion Initiative", aimed at converting private child care operations into not-for-profit corporations. Owl pursued a new corporate structure which would incorporate the shareholders as employees.

On August 27, 1991, Owl Child Care Services of Ontario received its Letters Patent. Faced with significant debt, Owl's new board and staff pursued program enhancement and expansion. During this time, new centres were added, others expanded their licensed capacity and some relocated to new homes. Satellite after-school programs were also added.

The number of board members was increased from 7 to 15 to handle the increased workload, and administrative staff doubled from 2 to 4 employees.

In April 1998, Owl obtained its Supplemental Letters Patent, granting it charitable status. The Supplemental Letters Patent outline five objects that Owl must work within:

- a. To establish, maintain and operate a non-profit nursery school or day care centre for physically, emotionally, developmentally or financially disadvantaged children within the community
- b. To establish, maintain and conduct a non-profit day nursery or day care centre licensed under the Day Nurseries Act for the education, including care and guidance, of children.
- c. To initiate, develop and conduct non-profit child care programs, seminars, and conferences available to the community at large and directed specifically towards parents, "child carers", teachers and other persons having care or custody of children
- d. To offer on site training, practice and experience to students of child care and educational programs.
- e. To liaise with other charitable, educational or governmental agencies or organizations in developing child care programs.

In 2010, the Province of Ontario introduced full-day kindergarten. As a result, over the 5-year implementation roll-out, Owl transitioned its full-day, alternate day care for JKK children (ages 4-5) to either toddler or preschool care. As these transitions, were made, Owl introduced a Jr. Camp and a before and after school program for JKK students.

Today, Owl provides care for over 850 children via what is soon to be eight (8) centres and has ~ 150+ full-time, part-time and casual employees. The 8th centre, Owl-St. Brigid, will open in January 2018.

The overall operating budget is ~ \$6.7 million.

In 2016, Owl completed a feasibility study on expansion across southwestern Ontario. At their May 2016 meeting, the board approved an expansion strategy that will add six centres by 2021 across up to 4 regions. Owl-St. Brigid will be the first centre to open under this plan.

In 2017, at the Annual General Meeting, the board presented its proposal to move Owl's incorporation from the provincial jurisdiction to the federal jurisdiction under Canada's Not-for-Profit Corporations Act (CNCA). Some key reasons for this transition include: the Ontario legislation has stalled and is on hold indefinitely, meanwhile, current directors are being held to a subjective standard of care with those who have a professional designate being held to a higher standard. Under the new legislation all directors would be held to an objective standard of care. Moving to the CNCA now, allows that to happen sooner.

At the AGM, the members voted unanimously in favour of this proposal and authorized the board to proceed. In consultation with legal counsel, the executive director is now working towards official approval of that change with the government.



On the next page you will find a brief self-test, covering material from this section.

(Answers will be found on the page afterwards.)

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Self-Test

A Brief History of Owl

1. True or False? Owl started as a non-profit in 1981.

2. What was the goal of the “Conversion Initiative”, introduced by the Ontario government in 1990?
 - a) To increase the number of available child care spaces
 - b) To convert private child care organizations to not-for-profit ones
 - c) To make better use of budgeted child care funds

3. The Supplemental Letters Patent granted to Owl in 1998 was for which purpose:
 - a) To facilitate program expansion and enhancement
 - b) To increase the number of directors
 - c) To become a charitable organization

4. True or False: Owl’s board proposed moving its incorporation to the federal jurisdiction under the Canada Not-for-Profit Corporations Act so that it can expand across up to 4 provinces.

Self-Test Answers

A Brief History of Owl

1. False. Owl started as a for-profit organization in 1981. It subsequently converted to a non-profit in 1991.
2. b) To convert private childcare organizations to not-for-profit ones.
3. c) The Supplemental Letters Patent granted to Owl in 1998 gave it charitable status.
4. False. The decision to move to the CNCA was two-fold. The legislation is changing in both Ontario and Canada and both Acts are similar, so we'd eventually have to transition to one of the new Acts. With Ontario's ONCA on hold indefinitely, moving to the CNCA now provides more protection for directors as all will be held to an objective standard of care.

Section 4 Owl's Strategic Plan

Owl uses a 3 to 5 year strategic plan as the backbone of its operations and activities. The strategic plan is essential in acting as a guidepost to both management and the board, to ensure that initiatives undertaken and resources used are done in a manner which helps achieve the plan.

Additionally, the strategic plan serves as a point of continuity for Owl's operations. This is critical in an environment that may see a great deal of turnover in the board and, at times, within management.

The current strategic plan focusses on 3 strategic priorities shown below as the mountains and the golden road.



From each of these strategic priorities flow a number of goals represented by the word bubbles.

Each goal also has multiple performance indicators or targets that are measured to determine our progress in each area.

At minimum, the Executive Director reports to the board twice per year (semi-annually) regarding Owl's performance on each initiative and achievement of the stated performance indicators.

A copy of the 2017-2019 Strategic Plan and the final report to the board can be found in Tab 3.

In addition, the Board created a long-term plan for Owl's priorities over the next 20 years. This is a living document and will be updated and changed as the internal and external environment changes. This can also be found in Tab 3.



On the next page you will find a brief self-test, covering material from this section.

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Self-Test

Owl's Strategic Plan

1. Which of the following is not one of Owl's strategic priorities or goals as identified on the strategic plan:
 - a. Explore our potential via an approved expansion plan
 - b. Assess and renew Owl's brand to support the other two priorities.
 - c. Foster an even stronger organization by continually monitoring and delivering on member and staff needs
 - d. Advocate for Children

2. True or False? The strategic plan is backbone of Owl's operations and the only document it needs in managing its day-to-day activities.

3. True or False? The Executive Director provides the board with periodic updates on the strategic plan, which can then be re-written and modified as deemed appropriate.

Self-Test Answers

Owl's Strategic Plan

1. c) Foster an even stronger organization by continually monitoring and delivering on member and staff needs. While the strategic plan does include a number of goals, performance indicators and initiatives regarding how we monitor and deliver on member and staff needs, these are not identified as a strategic priority.
2. False. The strategic plan is in fact a critical document to Owl's operations; however, it is used in conjunction with other documents, such as Owl's by-laws, federal and provincial legislation, insurance policies, etc.
3. False. The Executive Director provides the board with periodic updates regarding Owl's progress to the plan, but it is not rewritten until the next 3 or 5-year plan is formulated or it is formally amended by Board motion.

Section 5 **Owl's Board of Directors**

Owl's Board is comprised of 15 directors. From within the Board's membership, four officers are appointed: President, President-elect, Treasurer and Secretary.

The Executive Director has been appointed by the Board as an officer of the corporation.

There are 3 standing committees of the Board:

- Finance & Audit
- Governance
- Nominating

Other ad-hoc committees or task groups may be struck and subsequently disbanded by the board as deemed necessary. Examples of these can include, among others:

- Canada Not-for-Profit Corporations Act (CNCA) Transition task group
- Strategic Planning task group

A current listing of the full board, its Terms of Reference, as well as the Terms of Reference for each of the standing committees, can be found in Tab 2.

Directors are required to sign and abide by a Board Code of Conduct, which includes Meeting Protocols. This document is reviewed and signed annually by all Directors, committee members and the Executive Director.

As of 2014, Directors are also required to provide a clear Police Records Check for the Vulnerable Sector bi-annually and to sign an Offence Declaration in the opposite years. Under the Child Care & Early Years Act, and per Owl's policies, directors and committee members must submit the required document annually no later than 15 days after the anniversary date of the last submission.

Section 6 **Owl Meetings**

There are 3 types of meetings that are planned, regular meetings:

- Meetings of the Board of Directors
- Annual General Meeting
- Committee meetings

Occasionally, if the need dictates it, there may be conference calls held between scheduled meetings. These are infrequent, and are held to deal with time-sensitive matters that must be resolved before the next regularly scheduled meeting. Examples may include seeking agreement to submit a Request for Proposal for a new centre, a decision on a potential fee increase, etc.

Meetings of the Board of Directors

The Board meets bi-annually in January, March, May, July, September and November. Board meetings are held at one of the child care centres, usually in the school's library. The location of the meeting rotates and is confirmed on the meeting calendar and on the meeting agenda.

A current meeting calendar is included in Tab 1.

Regular items that are for information purposes only are included in a Consent Agenda. These are not discussed at board meetings, but rather accepted or approved as one-motion. The use of a consent agenda allows time for more strategic discussions. Examples of things in the consent agenda include: strategic plan updates, financial snapshots, committee updates, Executive Director Reports.

Strategic items for discussion — such as risk assessment/mitigation, impact of legislative changes, business resilience, etc. will be noted on the agenda as requiring approval, a decision or the identification of next steps.

Directors may notify the Board President and Executive Director (ED) of topics they wish to have placed on the agenda. A final agenda and agenda support materials (ASM) are then sent to the board approximately one week in advance of the meeting. Board members are expected to review the agenda and any ASM in advance of the meeting and come prepared to discuss them.

Approximately one week prior to the scheduled meeting, board members will receive an e-mail reminding them of the upcoming meeting and asking them to confirm their intention to attend. They will also be reminded to advise the Executive Director of any child care needs.

- Owl provides child care to directors for the duration of the meeting. The cost is borne by Owl, and is dependent upon the availability of an ECE on the date of the meeting.

Board members who are unable to attend a meeting are expected to forward a signed proxy to the Secretary or President, with a cc to the ED. The proxy should also include comments on items to be discussed at the meeting, as well as how they would like to vote on those.

At times, a board meeting will begin with a closed-door session in which the ED does not participate. Examples of potential items which may be discussed include concerns re board meeting protocols, ED performance, etc. Minutes of the closed-door session are taken by the Secretary and distributed to the board members only. When the ED rejoins the meeting, the President welcomes everyone, certifies the proxies and confirms whether quorum has been reached.

A quorum of directors (majority of those currently in office) is required in order for the board to conduct any business and pass any motions. Proxies which have been certified are included in this count.

The President then polls the members to confirm if there are any conflicts of interest based on the agenda items.

- If a director suspects he/she has a conflict (perceived or actual), notify the Board President in writing prior to the meeting.

If a conflict is identified (in advance or at the onset of the meeting), those members are expected to excuse themselves for the duration of the discussion for which they have a conflict. An example of a potential conflict is: A board member is related to a contractor who has bid on work which requires board approval.

Minutes of the meeting are taken by the Secretary and usually sent to board members approximately one week after. Members are expected to review the minutes and flag any errors or omissions by email to the ED and President. If none are identified, the minutes will be confirmed at the following meeting. Once confirmed they will be available to be posted in the centres, as well as on Owl's website.

Annual General Meeting

The Annual General Meeting (AGM) is held in April of each year. Attendees include Owl staff, member families, board members and our auditors.

The AGM serves several purposes:

- **Accountability:**
The board President and ED report on progress made towards the strategic plan and any highlights of the year. The Treasurer and external auditor present the audited financial statements.
- **Succession:** Usually, the AGM is the time when rotation in elected leadership occurs. The nominating committee presents a recommended slate of nominees. If there are more nominees than vacant positions, the election may be held by secret ballot.
- **Member Input:** An AGM should enable members to give input and direction to the board and management. Owl achieves this through the following means:
 - Guest speakers who are able to provide more information about some of the programs used at Owl (e.g. Tools for Life)
 - “Break-out sessions”, which allow members the opportunity to provide feedback on a number of predetermined topics
 - Question and answer sessions with members of the board and/or Owl management
- **Community Building:** An AGM is an ideal time to celebrate successes and build a sense of community among the members. Owl uses this time to recognize employee award recipients and to provide long-service awards.
- In 2014, a game show that reflects Owl’s values was added to the AGM format. This was well received by those in attendance.

Committee Meetings

Committees – whether standing or ad hoc/task groups – meet on a regular basis, although the precise meeting frequency and schedule are determined by the committee chair and its members, and is based on the scope of the committee’s work.

Committee members are not limited to board members, but can include other Owl members, community representatives and/or Owl staff.

There are many similarities between Board meetings and committee meetings: an agenda is distributed in advance, minutes are taken and subsequently distributed to the members, and members are asked to submit comments for consideration if they are unable to attend the meeting.

Unlike Board meetings, however, there is no closed-door session, motions are not required, there is no requirement for a quorum, and minutes aren’t posted on Owl’s website or at the centres. As well, please note that child care is not provided.



On the next page you will find a brief self-test, covering material from this section.

(Answers will be found on the page afterwards.)

Use this self-test to evaluate for yourself how well you grasped the material covered. Go back and review any areas you need to.

Self-Test

Owl Meetings

1. Which of the following is not a primary purpose of the AGM:
 - a) review Owl's financial statements
 - b) elect/re-elect Board members
 - c) staff recognition and long-service awards
 - d) voting on proposed fee increases

2. True or False. Members who are unable to attend a committee meeting are expected to forward a proxy.

3. True or False. Proxies sent in by directors without comments cannot be certified and used when casting votes.

Self-Test Answers

Owl Meetings

1. d) Fee increases are discussed and voted on at Board meetings, not the AGM.
2. False. There is no requirement for a proxy at a committee meeting, but they should send in their comments.
3. False. Although comments are strongly encouraged, they have no impact on the validity of the proxy in casting a vote.

Section 7 Owl's Bylaws

Owl's activities are governed by a number of pieces of legislation, including but not limited to:

- Corporations Act (provincial)
- Day Nurseries Act (provincial)
- Employment Standards Act (provincial)
- Personal Information Protection and Electronic Documents Act (PIPEDA) (federal)
- Income Tax Act (federal)

In addition to these, Owl has its own bylaws which set the framework or rules for how the corporation will function.

The bylaws establish rules for, among other things:

- Corporate objectives
- Determining quorum
- Meetings of the Board
- Voting procedures
- Vacancies
- Officers and their duties
- Execution of documents
- Election of directors
- Committees
- Conflicts of Interest
- Liability

A complete copy of the bylaws is included in Tab 4, but following are some highlights:

- The affairs of the corporation shall be managed by a board of up to 15 directors with a minimum of one director representing each child care centre. Each director shall be elected to hold office until the second annual general meeting after he/she shall have been elected or until his/her successor shall have been duly elected. (article 6)
- Unless the letters patent, supplementary letters patent or a special resolution otherwise provides, a majority of the board of directors constitutes a quorum, but in no case shall a quorum be less than six directors. (10)
- Questions arising at any meeting of directors shall be decided by a majority of votes. In case of equality of votes, the chair, in addition to his/her original vote, shall have a second or casting vote. (19)

- A director who is absent for 3 or more board meetings in any twelve month period may, at the discretion of the board, be deemed to have resigned from the board and shall be removed as a director before the expiration of his/her term. (43)
- Contracts, agreements and instruments ... must be approved by the executive director and an elected officer of the board. (30)
- No director who has served a term for 4 consecutive years shall be eligible for re-election without the recommendation of the nominating committee and provided that no more than 7 elected directors have served 6 consecutive years or longer. (38)
- An employee of the corporation is not eligible to stand for election to the board. (39)
- The directors shall receive no remuneration for so acting. (47)
- A conflict of interest occurs when a member of director participates in discussion or decision-making about a matter, which may benefit that member or director, regardless of the size or quantum of the benefit. The conflict may also arise in a direct or indirect benefit flowing to a spouse, family member of other person with whom the member or director has a close and personal relationship. (48)
- It is the duty of every director who is in any way, directly or indirectly, interested in a contract or arrangement with the corporation to declare the nature and extent of such interest, in the manner and at the time required by the Corporations Act and to refrain from voting in respect of the contract or arrangement for the proposed contract or arrangement. Where a disinterested quorum cannot be obtained, a contract may be confirmed by a majority of votes cast at a meeting of the board called for that purpose. (49)
- At the annual general meeting, 20 members in good standing shall form a quorum for the transaction of business and any action taken by a majority of those members present at a meeting at which a quorum is present shall constitute the action of the membership. A member may by written proxy appoint an individual to vote for him/her at any annual or other general meeting of the members. (52)
- The corporation shall purchase and maintain insurance for the benefit of the directors or officers ... against any liability incurred in his/her capacity as a director or officer unless liability is occasioned by his/her own wilful neglect or default. (63)

- There are 3 categories of members (64 – 74):
 - Family members:
 - Have at least one child registered with Owl and pay fees
 - Eligible to stand for election to the board of directors
 - Have the right to vote at the annual general meeting
 - Community members:
 - Obtain membership upon approval of the board
 - Eligible to stand for election to the board of directors
 - Except for those who are directors, do not have voting rights at the AGM
 - Associate members:
 - Are a subset of Family Members whose family includes a paid employee.
 - Membership shall continue so long as one child registered with Owl
 - Not eligible to stand for election to the board of directors or sit on any committee without board approval
 - Do not have voting rights at the AGM, except for issues specific to child care

At the AGM in April 2017, the members approved – in principle only at this time – a new General Operating By-Law No. 1. This will be the new By-Law that Owl will operate under once a Certificate of Continuance (Import) is issued to Owl under the CNCA. Once that certificate is on file, this By-Law will be represented for approval by the members. Only at that time, can Owl begin operating under the new By-Law.

The new By-Law has many changes from the existing By-Laws. It is included in Tab 4 for quick reference as a draft.



On the next page you will find a brief self-test, covering material from this section.

(Answers will be found on the page afterwards.)

Use this self-test to evaluate for yourself how well you grasped the material covered. Go back and review any areas you need to.

Self-Test

Owl's By-laws

1. How many directors are required in order to form a quorum at a regular board meeting?
2. How many members are required for quorum at an Annual General Meeting?
3. True or False? During regular board meetings, the President is allowed to cast 2 votes.
4. True or False? Board members aren't required to have a child enrolled at Owl, unless they are an officer of the Board.
5. True or False? There are no term limits for board members.
6. True or False? Board members may be removed from the board if they miss 3 or more meetings in a 12-month time period.
7. True or False? Now that the members have approved the transition to the CNCA, Owl can begin operating under the new General Operating By-Law No. 1.

Self-Test Answers

Owl's By-laws

1. A majority of directors in office, but no less than six.
2. 20
3. False. The President may cast two votes only in the event of a tie.
4. False. Community members may sit on the board. The by-laws place no further restrictions on their eligibility to hold an officer position.
5. False. The limit is 4 consecutive years, unless approved by the nominating committee, and provided that there aren't more than 7 directors who have served 6 or more years
6. True. This can be done at the discretion of the board.
7. False. Owl must operate under its current By-Law until the Certificate of Continuance (Import) is issued to Owl from Industry Canada and then after the members have formally approved the new By-Law.

Section 8

Duties of Directors

The role of directors falls into two broad categories. First, directors are expected to supervise the management of the affairs of the organization. In Owl's case, direct management of the day-to-day operations falls under the Executive Director's responsibilities. Secondly, directors are expected to act within the scope of the bylaws of the organization.

There are 11 duties of directors of a non-profit organization:

- Duty of Knowledge
- Duty of Care
- Duty of Skill & Prudence
- Duty of Diligence
- Duty to Manage
- Fiduciary Duty
- Duties as Trustees
- Investment Powers
- Delegation by Directors
- Duty of Avoid Conflict of Interest
- Duty to Act Within Scope of Authority

We will examine each of these in turn.

Duty of Knowledge

There are documents that outline Owl's fundamental purpose. Examples of these documents include the Corporations Act, Owl's Bylaws, etc. Directors must be constantly aware of the general content of these, although not necessarily the detail.

Directors must understand how Owl puts its purposes, mission and values into practice. Board members should therefore review, at least annually, Owl's fundamental documents.

Duty of Care

Directors have a duty to act with a minimum standard of care. A director may incur personal liability where their conduct falls short of this standard of care.

It is important to note that a director with more skill, sophistication and experience will face a greater standard of care and a greater risk of personal liability. This has implications for directors with professional designations (e.g. lawyers, accountants, etc.).

For charitable organizations, directors may be held to an even higher standard of care. A director who acts honestly and meets these standards of conduct and care will not be liable for simple errors of business judgment that occur while the director performs the duties of office.

Duty of Skill and Prudence

If a director has a particular level of skill or expertise, it must be used in the best interest of the organization.

In the duty of prudence, a director must act with practicality and not necessarily expertise in mind. This forces us to act cautiously and anticipate any probable consequences.

Duty of Diligence

Directors are expected to act prudently and reasonably to:

- Review the agenda and support materials in advance of each meeting
- Attend meetings of the board and board committees, where applicable. If attendance is not possible, a director should review the information in advance and offer comments to the Chair. If the minutes reflect that an illegal act has been undertaken, the absent director should immediately register a dissent so as to remove liability
- Be prepared to discuss the business of the meeting
- Vote on matters that come before the board, unless a conflict of interest has been declared

Duty to Manage

Management duties of directors include, but are not limited to:

- Election of officers
- Recruitment, selection and performance management of the Executive Director
- Establishing governance policy and providing guidance
- Compliance with legal requirements
- Acquiring adequate knowledge of the business and functioning of the organization
- Enacting the by-laws as necessary and useful to the operations of the organization
- The role of the board and ED must be clearly defined so as to avoid conflict arising from misunderstanding of the respective roles
- Conflict arises when directors attempt to manage operations or the ED exceeds his/her operational authority
- In general terms:
 - Directors → Create policy (i.e., governance policy, strategic plan, etc)
 - Management → Implements policy
 - Directors → Monitor implementation

Fiduciary Duty

Definition: A *fiduciary* is a person who maintains a position of trust. A fiduciary, therefore, has a higher standard of care.

A director is considered a fiduciary because directors are in a position of trust with public funds and are held accountable for the funds and assets of the organization.

Owl is subject to common law fiduciary obligations. Directors are required to act honestly and in good faith, to avoid any conflict of interest, and to subordinate every personal interest to that of the organization. Even if the by-laws permit a director to enter into a contract with Owl, after declaring a conflict of interest, the fiduciary obligation of the director may prevail over the permission contain in the by-law.

Duties as Trustees

Directors of a charitable organization are held to the same standard of care to which a trustee is held. A trustee cannot be paid, even for work performed in a professional capacity. Similarly, a director cannot profit from his/her position.

Investment Powers

Directors face potential liability with respect to losses on Owl's investments, and therefore must: develop investment policies, clearly define the level of acceptable risk, ensure compliance with the policy, and ensure regular and frequent reporting to the BOD on all investments.

Delegation by Directors

Delegation of responsibility does not relieve a director of potential liability. The extent to which a director may delegate is governed by the test of what a reasonably prudent person would delegate. Directors must maintain a supervisory role over committees, staff or external parties (e.g. lawyer, accountant).

Duty to Avoid Conflicts of Interest

A conflict of interest arises any time that a director has a personal interest in the same subject matter as Owl. The fiduciary obligation requires them to act in Owl's best interest.

It is important to note that there is nothing inherently wrong with having a conflict of interest. Problems only arise if a directors fails to disclose that conflict and/or puts their personal interests ahead of Owl's. If a director declares a conflict and does not participate in, or influence, the decision making, it is possible to enter into a contract, for example, despite having a personal interest.

For example: If a director was to negotiate a contract with Owl, that director could not negotiate terms which are personally advantageous but are not of at least equal advantage to Owl. On the other hand, an independent third party does not have this duty and would not be barred from negotiating a personal advantage at Owl's expense.

Duty to Act within Scope of Authority

A director must know the scope of their own authority, and the permitted activities of the corporation. These are outlined in the corporations act, letters patent, by-laws, resolutions (motions) of the board and our policies.

Personal liability can attach to any director that, by positive action or neglect, has permitted the corporation to carry on activities that are *ultra vires* (i.e., beyond the authority of the corporation; or, has acted outside the actual authority granted in the corporation's records.

To avoid personal liability in these situations, a director must oppose the action at the meeting where it was authorized by the board (or register a dissent as soon as possible thereafter if not in attendance) and should demand that their opposition be recorded in the minutes.



On the next page you will find a brief self-test, covering material from this section.

(Answers will be found on the page afterwards.)

Use this self-test to evaluate for yourself how well you grasped the material covered. Go back and review any areas you need to.

Self-Test

Duties of Directors

1. Which of the following is not one of the identified 11 duties of directors of a non-profit organization:
 - a) Duty to manage
 - b) Duty to protect
 - c) Investment powers
 - d) Duty to avoid conflicts of interest

2. True or False. Directors are required to avoid all situations and decisions in which they have a conflict of interest.

3. Directors must maintain a supervisory role over committees, staff or external parties. This is an example of which duty:
 - a) Delegation by directors
 - b) Duty to act within scope of authority
 - c) Duty to manage
 - d) Duty of diligence

Self-Test Answers

Duties of Directors

1. b) Duty to protect
2. False. The problem is not in having a conflict, but rather when the director fails to disclose the conflict and/or puts their personal interests ahead of Owl's.
3. a) Delegation by directors

Section 9 Protection of Directors

Although directors are required to perform their duties with an appropriate standard of care, a number of protective measures are also available. These are individually and collectively designed to minimize the exposure of directors of non-profits to legal liability.

Indemnification

Indemnification means that Owl will compensate the directors for any loss incurred for the liabilities arising from the performance of the director's duties, within their scope of authority, except for those arising from wilfully negligent actions. It is important to note that a director can be indemnified when there has been negligence, provided they were acting in good faith.

The purpose of indemnification is to encourage skilled directors to participate in non-profit governance.

Insurance

Indemnity does not eliminate the risk of all liabilities, such as breaches of standard of care, or of certain statutes, or where the corporation is suing the director.

Directors' liability insurance can be maintained in 2 ways: through the corporation, with premiums paid by the corporation; or by the director personally, with premiums paid either by the corporation or by the director.

Not all types of liability are covered, including acts that are *ultra vires* (i.e. beyond the authority of the corporation) and where conflict of interest results in personal profits for directors.

Independent Advice

Directors must act within the scope of their authority and in the best interest of Owl. At times, this may require directors to seek independent advice (e.g. regarding the investment of funds).

Where independent advice is sought, directors should ensure that properly qualified individuals are asked for their expertise.

Disclosure of Competing Interests

The easiest way to avoid personal liability is to disclose to the board at the earliest opportunity all situations in which a conflict of interest may arise.

The Canada Corporations Act sets out certain provisions for the disclosure of conflicts of interest. These state that the conflict must be declared at the first opportunity and at the meeting of the Board of Directors. Furthermore, the director is then precluded from voting on any contract, transaction or matter – no matter how remote the conflict of interest is.

Impact of Ratification

Directors can be protected from personal liability where members of the organization ratify their actions. For example, where a director fully discloses a personal interest in a contract, the members may ratify the contract and thus move liability to the corporation or its creditors and away from the personal liability of the director. The members have exerted control of the issue and this ratification provides protection from liability.

Due Diligence

Reducing the risk of liability before problems arise is the most effective form of protection. This comes in the form of due diligence.

A director must exercise due diligence by attending meetings and reviewing materials, knowing what transactions and activities are happening, discussing issues with other members of the board, making decisions, and ensuring compliance with applicable legislation.



On the next page you will find a brief self-test, covering material from this section.

(Answers will be found on the page afterwards.)

Use this self-test to evaluate for yourself how well you grasped the material covered. Go back and review any areas you need to.

Self-Test

Protection of Directors

1. Which of the following is not an example of an Owl director exercising due diligence:
 - a) reviewing materials and attending meetings
 - b) being aware of current transactions and activities
 - c) ensuring compliance with applicable laws and requirements
 - d) discussing issues with other board members
 - e) regularly consulting with outside experts

2. What is the most effective form of protection:
 - a) avoiding contentious and controversial topics
 - b) exercising due diligence to minimize the probability of problems arising
 - c) purchasing an insurance policy
 - d) abstaining from voting

3. True or False. Indemnification means that Owl will compensate the directors for any loss incurred for the liabilities arising from the performance of the director's duties.

Self-Test Answers

Protection of Directors

1. e) regularly consulting with outside experts
2. b) exercising due diligence to minimize the probability of problems arising
3. False. Directors are not indemnified if they act outside of their scope of authority or are wilfully negligent.

Section 10 **Risk Management**

Risk Management is an ongoing process, involving Owl's Board of Directors, management and other personnel. It is a systematic approach to setting the best course of action to manage uncertainty by identifying, analyzing, assessing, responding to, monitoring and communicating risk issues/events that may have an impact on the organization successfully achieving its business objectives.

Owl uses an Enterprise Risk Management (ERM) framework to assess the level of risk involved in providing its programs and services.

The purpose of ERM is to create, protect, and enhance member value/service and Owl's viability by managing the uncertainties that could influence achieving its objectives. Implementing an effective ERM achieves the following key objectives:

- **Oversight:** All critical risks have been identified and are being managed and monitored under a holistic approach consistent with the Board of Directors' approved "risk appetite statement".
- **Ownership and Responsibility:** The ownership of risk is assigned to management individuals who are responsible for identifying, evaluating, mitigating and reporting risk exposures.
- **Assurance:** The Board of Directors, management and members have reasonable assurance that risk is being appropriately managed within predefined levels to bring value to the organization.

The ERM framework must reflect separation of three main areas:

1. Organizational units that take risk and manage the risks they take;
2. Risk management that provides policy, guidance, recommendations, risk reporting and analysis; and,
3. Independent assurance functions such as internal and external audits.

Decisions should be made with appropriate consideration of the impact on the overall organization, not simply its individual operational areas;

The ERM framework provides a forum for risks to be appropriately considered, discussed, debated, and factored into strategic business decisions;

Risk management processes should be proactive rather than reactive;

The ERM framework considers and reflects on the roles and interaction with related functions, including the Governance Committee, the Finance & Audit Committee, internal audit, etc.;

The ERM framework will evolve over time, as Owl changes, and reviewed regularly.

The Board of Directors has approved a Risk Management governance policy and procedures to set out expectations and requirements. As part of the policy and procedure, a Risk Matrix defines the organizations risk tolerance and risk response — providing a benchmark to measure the likelihood and severity of various risks and setting out the risk response (e.g., accept, mitigate, transfer, etc.).

See Tab 5 for a copy of the policy, procedure and related documents.



On the next page you will find a brief self-test, covering material from this section.

(Answers will be found on the page afterwards.)

Use this self-test to evaluate for yourself how well you grasped the material covered. Go back and review any areas you need to.

Self-Test Answers

Risk Management

1. c) eliminate risk.
2. False. The ERM framework provides a forum for risks to be appropriately considered, discussed, debated, and factored into strategic business decisions;
3. False. While the Executive Director has a large role to play, risk management is an ongoing process, involving Owl's Board of Directors, management and other personnel.

Section 11 **Financial Management**

Owl operates as a non-profit, charitable organization. Among other things, this means that it endeavours to closely match its revenues and expenses. Any difference between the two is handled differently than would be in a for-profit organization. This section will probe this in further detail.

Samples of the various reports discussed in this section, and of an audited financial statement package, can be found in Tab 6.

The Board is presented with consolidated financial statements on a quarterly basis. Since Owl's fiscal year corresponds with the calendar year, quarter ends are March 31, June 30, September 30 and December 31. Audited, year-end financial statements are presented to Owl's membership at the AGM in April of each year.

Because financial stewardship is a key responsibility of board members, it is important to understand Owl's financial statements. Below is a glossary of key terms, followed by some more detailed information on how to interpret Owl's financial statements.

Glossary of Accounting and Financial Statement Terms

Accounts Payable – Liabilities representing amounts owed to short-term creditors; e.g. a utilities bill owing for a prior period that has not yet been paid. These amounts have been included as expenses on the statement of earnings; however, since the cash has not been paid, they are liabilities on the balance sheet.

Accounts Receivable – Amounts owing by customers/members. These amounts have been included in revenue on the statement of earnings, however since the cash has not been received, receivables are assets on the balance sheet.

Accounting policies – The chosen accounting methods used by a company/organization to recognize economic events on an accrual basis, and to report Owl's financial position and the results of operations.

Accrual basis accounting – A basis of accounting that reflects transactions as they occur rather than as cash flows that eventually occur. Accrual accounting is the accounting basis used by Owl and must be followed to be in compliance with Canadian Generally Accepted Accounting Principles (CGAAP).

Accrued expense (accrual) – An expense recognized in accounts prior to paying for it. For example, wages owing as of the end of the month must be accrued to properly present the expenses for the period. It may be the middle of a pay period where 4 of 10 pay days are owing but to be paid in the next pay period, these are expensed and included as an accrued liability then cleared when paid in the following period.

Accumulated depreciation – A balance sheet account that accumulates total depreciation expense since the purchase of the asset(s). Accumulated depreciation is a credit, opposite to the debit balance asset cost account.

Adjustment / Adjusting journal entry – A journal entry to implement accrual accounting by recognizing in the accounts economic events not yet adequately accounted for by the routine transactional accounting systems. An example would be an adjustment to record depreciation or an accrual.

Asset – A resource that an individual, an enterprise, or a country owns or controls, and that can provide some benefit now or in the future.

Balance sheet (statement of financial position) – An accounting statement describing at a specific date the assets, liabilities, and shareholders' equity of the organization.

Book value – The difference between cost and depreciation (amortization) is the book value of the asset.

Cash flow statement (statement of changes in financial position) – An accounting statement describing the uses and sources of cash flow for a specific period of time.

Current assets – Cash and other assets such as temporary investments, inventory, receivables, and current prepayments that are realizable or will be consumed within a year.

Depreciation (amortization) – The periodic allocation of the cost of capital assets over the useful life of the assets. Depreciation refers to the amortization of tangible assets, and is an expense in the statement of earnings.

GAAP – Generally accepted accounting principles – Principles and methods of accounting that have the general support of standard-setting bodies, general practice, texts, and other sources. A clean (unqualified) audit opinion is only given by auditors when financial statements are in accordance with generally accepted accounting principles.

General ledger – The ledger holding individual accounts that comprise the elements of financial statements.

Liability – A debt or obligation, legally existing or estimated (via accrual accounting) or the enterprise to another party (creditor) arising from a past transaction. Examples include accounts payable or deferred revenue.

Prepaid expense – An expenditure recorded as a current asset because the benefit will be obtained in the near future; e.g. insurance coverage for the next year.

Statement of Earnings – A financial statement that summarizes revenues and expenses of a business for a stated period of time and computes the residual net income or loss.

A Guide to Reviewing Owl's Financial Statements

This guide should be used in conjunction with the quarterly financial statements and the year-end audited financial statements.

Statement of Earnings

Be sure to carefully review the Management Discussion and Analysis section, as it provides explanations for the revenue and expense line items and variances.

There are several columns on this statement; the most relevant are the Current Month (actual activity) and the Current YTD (year to date) activity. The Budget column is used for comparison purposes, and the variance is a calculated figure determined by actual less budget.

Variances are positive when actual revenue is greater than budget, and negative (shown in parenthesis) when the actual expense is greater than budget.

The statement of earnings is a consolidation of the activities at all centres and the administrative office. Unconsolidated statements by centre are available and reviewed at the committee level but generally not by the full board.

Revenues

Financial Highlights graphs break out revenue contribution by centre. High-level comparisons of actual to budget, actual to prior year, and variances are also presented.

The year to date information is a very useful starting point for financial review.

Fee revenue is obviously the most significant source of revenue for the organization. It is therefore very useful in reviewing and comparing to budget and prior year to determine the current operating levels of the organization. Fee revenue is directly impacted by the level of enrolment. Generally, if fee revenue is greater than budget, then enrolment is above budgeted levels. Other factors that can influence this include fee increases not included in the budget, as well as the enrolment mix within age groups and/or centres. Capacity and enrolment figures are reviewed regularly by the Finance Committee.

Owl receives a General Operating Grant from the Region. Further details regarding Regional Funding, how it is calculated and how the policy is managed, can be found in Tab 7.

Fundraising revenue will vary throughout the year depending on the success of various campaigns.

Interest income depends on interest rates and the amount of principal invested (which is generally fairly stable unless reserves have changed significantly). Since Owl's investment policies are very conservative, e.g. investment in government bonds, interest rates will not be significant -- generally less than prime rate of interest.

Expenses

Wages and Benefits are the most significant expense incurred by Owl, totalling approximately 75-80% of the expense budget. Further information is included in the Discussion and Analysis including an analysis of variances by centre.

Rent is generally about 7-8% of Owl's expense budget.

Maintenance is approximately 1-2% of total expenses.

Amortization of fixed assets included on the balance sheet vary according to the unamortized fixed assets held by Owl (see balance sheet), but in general, are close to 2% of total expenses. The Board, in 2012, has approved a change in how larger purchases are handled; choosing to expense rather than capitalize items such as new flooring, playground upgrades, etc.

Food is also a significant expense, representing 3-4% of total expenses.

All other expense line items are generally less than 1% of total expenses (on a per expense basis). However, these are still important to monitor for management purposes. Variances compared to prior year and current year budget are identified on the statement of earnings with significant items included in the Discussion and Analysis.

Other income and expenses

Extraordinary or unusual items may be included in this section. A gain or loss on the disposal of assets is the proceeds realized on disposal of a fixed asset (if proceeds received) less the net book value (depreciated cost) of the asset. If this calculation is positive there is a gain and if negative it is a loss.

Net Earnings/Loss for the Period

This is calculated as total revenues less total expenses. If the calculation produces a positive number for the period/year, there are earnings. If the number is negative, there is a loss.

Balance Sheet

The balance sheet lists Owl's assets (resources), liabilities and members' equity at a specific point in time, thereby describing the organization's financial position at that point.

Following the double-entry concept, the balance sheet has two parts, and the two parts have the same total:

$$\text{Assets} = \text{Liabilities} + \text{Members' Equity}$$

Assets

Owl's current assets include the operating and savings accounts used by the organization in regular operating activities as well as an immaterial petty cash amount.

A further breakdown of the term deposits amount is presented in the investment portfolio spreadsheet (described later in this section).

Receivables are a current asset. Allowance for any doubtful accounts (AFDA) is also presented as a credit (deduction) to the receivables balance.

The HST recoverable which has been paid on goods and services and will be refunded is also a current asset.

Prepaid expenses for which the benefit has not yet been received or used is also included here.

Fixed Assets

As per the Financial Management governance policy, purchases of fixed assets by Owl are capitalized and amortized in accordance to GAAP.

Expenditures must meet the following criteria to be classified as fixed assets and to be capitalized:

- Assets must have a useful life that is greater than 1 year
- Assets must have a purchase price (before installation) greater than \$1,000 each item before taxes.
 - Any costs related to the installation of the asset are capitalized.
- Expenditures that are deemed a "betterment" of a current classroom will be classified as a capital asset and amortized as a leasehold improvement.
 - For example: setting up a new classroom, renovations that will increase revenue of a specific classroom.

- Expenditures that are for repairs, renovations, or to return a classroom to its original condition, are expensed.
 - For example: painting, replacement of flooring or countertops, additions of storage and shelving, and any other adjustment to make room accessible for a specific age group without having a significant increase to revenue.

Liabilities

Current liabilities include accounts payable and accrued liabilities for operating items, as well as various deductions to be remitted (CPP and EI), benefits payable (e.g. health and dental) and accruals owing for vacation, sick and banked time.

Deferred revenue is one-time funding grant from the region for the purpose of purchasing capital assets. This is shown on the balance sheet as deferred revenue and amortized and recognized in revenue over the life of the fixed asset.

Customer deposits are liabilities as these are deposits based on one half month's fee that have been received from members and are to be refunded or applied to the last month's fees that the family is with Owl.

A significant liability can be salary and wages payable: since pay dates are biweekly, up to 9 of 10 days of payroll could be owing at the month end (depending on timing) and must be presented as a liability up to that date.

Members' Equity

There are various components of members' equity. Since Owl is a non-profit organization, there is no owner and members/owners do not have a right to share any equity. Thus, there are unrestricted net assets and sums that have been internally restricted, as well as the balances which have been invested in fixed assets.

The unrestricted net assets is the net total -- since inception -- of revenue over expenses which has not been internally restricted or invested in fixed assets. The excess or deficiency of revenue over expenses for the year is added to this total at year end.

The net assets invested in fixed assets equals the book value of the fixed assets. This balance is increased annually by the purchase of fixed assets and reduced by amortization.

There are reserve funds which set aside money for specific purposes. The Renovation/Capital Reserve Fund has a target balance of \$100,000 to be used for major technological investments. The Risk Management Reserve Fund exists to inject funds into the organization in the event of a major event

which prevents Owl from operating as usual. Rather than a fixed amount, it is calculated as the equivalent of the greater of three risk types – to a maximum of \$500,000:

- Loss of revenue equivalent to an enrolment drop to 70% of capacity.
- Loss of Region Funding
- Winding down one centre.

In 2016, the risk target for this fund has been set at \$500,000.

Investment Portfolio Spreadsheet

This spreadsheet shows the breakdown on Owl's investment portfolio as of the specified date.

The total of this summary should agree to the total term deposits per the balance sheet. The spreadsheet indicates the description and term of the investments as well as the maturity date. This is very useful for monitoring and managing Owl's investment portfolio.

Statement of Cash Flows

This statement explains the changes in cash and cash equivalent balances during the period.

The starting point for the statement is the month or year to date earnings/loss. Since amortization is a non-cash item (the cash was spent when the item was purchased), it is added back. Changes due to working capital and the purchase of fixed assets are also presented to show the closing cash position.

The breakdown of this position is equal to the cash balances as presented as assets on the balance sheet.

Forecast

A forecast may be included in the Board's quarterly financial package if one has been prepared and discussed by the Finance & Audit Committee.

The Forecast is in the format of the statement of earnings/operations. It combines the actual results for the year to date with budget (updated for any new information) for the remainder of the year to show the most likely results of operations for the year. The forecast is a very useful management tool particularly for making decisions in terms of spending or fee increases.

Reserve Replenishment Plan

A reserve replenishment plan may also be included in the Board's quarterly financial package, if it is deemed necessary due to deficiency in internally restricted reserve levels.

The plan is a continuity of the items included in members' equity showing the items affecting these balances for the year and forecasting the totals for future fiscal years to show how the organization will become onside with these restrictions.



On the next page you will find a brief self-test, covering material from this section.

(Answers will be found on the page afterwards.)

Use this self-test to evaluate for yourself how well you grasped the material covered. Go back and review any areas you need to.

Self-Test

Financial Management

1. Which financial document provides the best snapshot of Owl's profitability:
 - a) Investment Portfolio Spreadsheet
 - b) Statement of Cash Flows
 - c) Statement of Earnings
 - d) Balance Sheet

2. Which of the following formulas is reflected by the Balance Sheet:
 - a) $\text{Assets} + \text{Liabilities} = \text{Profit} / \text{Loss}$
 - b) $\text{Assets} = \text{Liabilities} + \text{Members' Equity}$
 - c) $\text{Assets} = \text{Liabilities} + \text{Unrestricted Net Assets}$
 - d) $\text{Assets} = \text{Members' Equity} + \text{Unrestricted Net Assets}$

3. Unrestricted Net Assets:
 - a) may have a portion set aside and designated as reserves
 - b) exist because Owl members don't share in the organization's equity
 - c) can increase or decrease from year to year depending on whether any fixed assets were purchased, as well as how much Owl's assets were depreciated.
 - d) all of the above
 - e) none of the above

Self-Test Answers

Financial Management

1. c) Statement of Earnings. It shows in detail Owl's total revenues and expenses. The difference between the two numbers represents its earnings, or loss.
2. b) $\text{Assets} = \text{Liabilities} + \text{Members' Equity}$
3. d) All of the above.

Section 12 **Policy and Procedures Compliance Audits**

A key role of the Board is to provide effective governance and oversight via defined policies and procedures.

Generally speaking, policies outline what needs to be done. It is the area that is of greatest interest to the board. Procedures document how things will be done, and provide the greatest guidance to Owl's management and staff. The two go hand-in-hand: for most every policy, there is an accompanying procedures document.

As part of the board's governance and oversight function, a policy and procedures compliance process has been developed.

Monitoring Policy Compliance – Governance Policies

In 2014, the Board worked with consultant Sandi Humphrey, CAE, to develop a new policy and process for monitoring policy compliance specific to Owl's governance policies. In this process, the Executive Director completes a Compliance Report on each Governance policy once per year. A schedule has been set out to outline deadlines for reporting. When such reports come to the Board, a discussion takes place regarding the Board's level of satisfaction with the compliance rating and evidence of compliance as stated in the report. The Board may change the compliance rating and identify actions for follow up. Each report is then summarized for the year and used as part of the Executive Director's Annual Performance review.

Monitoring Policy Compliance – Operational Policies

The operational policies are owned by the Executive Director. However a compliance audit process has been set out to identify areas for improvement with respect to policy and procedure development and compliance. The annual report is then shared with the governance committee and the Board.

A policy audit is conducted to confirm that operational policies are:

- relevant and up to date with current legislation or other regulations
- easily understood

A procedures audit is conducted to confirm that procedures are:

- relevant to the corresponding policy and up to date with current legislation or other regulations
- easily understood
- consistently implemented within the centre and across the organization

Upon completion of the procedures audit, a determination can be made as to Owl's compliance with policy.

Operational Policies, as well as procedures, are identified as either Tier 1 or Tier 2 for auditing purposes. Tier 1 policies and procedures require scheduled audits which are rotated over a three year period. Tier 2 policies and procedures are considered “unscheduled” and are reviewed or audited as the need arises due to legislative changes or operational needs.

For new operational policies and procedures, the tier is assigned by the document owner at the time of its creation. Operational Policies and procedures are audited based on the following timeline:

Tier	Audit frequency	Anticipate % of policies and procedures
1a	Tri-annual starting Year 1	17%*
1b	Tri-annual starting Year 2	17%*
1c	Tri-annual starting Year 3	15%*
2	As needed; determined by ED	52%*

* % may fluctuate as new policies and procedures are added

For a complete list of all policies and procedures and their assigned tier, please refer to Owl’s website at www.owlchildcare.org. Once set up as a user by the ED, you can login to the Board Intranet site under Board/Staff by choosing Board Login.

Operational Policy Audits

In most cases, operational policies (i.e., employment, programming) will be audited by management. Here are some examples to consider:

Auditor(s)	Employment Policies	Programming Policies
Individuals	Director of Operations, ED	Director of Operations, ED, Supervisors
Dedicated Task Group	1-2 task group members; HR advisory group	1-2 task group members

When conducting the audit, the assigned auditor(s) do the following:

- a. Review the policy document and seek clarification from the executive director (ED) where needed.
- b. Conduct independent research regarding relevant legislation.
 - The ED can provide background on the Day Nurseries Act, ministry regulations, etc to assist in this part of the audit

- c. Meet at the administration office to complete the Policy Audit document.
 - It is suggested that the actual Policy Audit occur at the office where the ED can offer clarification and additional resources as necessary throughout the process.
- d. After reviewing each policy in terms of it being relevant and up to date with current legislation or other regulations and easily understood, a rating is assigned to each policy. These ratings are outlined on the chart below.

Rating	Definition
Good	The policy is relevant to Owl’s business and required legislation/regulation. Policy statements are clear, concise and easily understood. No action plan is required
Fair, Needs Improvement	The policy is relevant to Owl’s business and required legislation/regulations but minor updates are required to make the policy statements more easily understood. The auditor has provided some recommendations for consideration by management/board.
Poor	The policy is not in compliance with existing, new or changed legislation and requires revision. The auditor has provided direction and the ED must develop an action plan or provide a revised policy for review and approval within 30 days of receiving the audit report.

- e. Finalize the audit report and present findings to the ED within 30 days of completing the audit or at another time as agreed to by the Board.
- f. The policy audit report will be filed by the ED as per Owl’s records retention and destruction schedule.

Procedures Audits

In most cases, management is the procedures auditor. The ED determines which individuals will conduct the procedures audit on each policy or whether a separate task group of 2-3 individuals will assume this task. Unlike the policy audit, the procedures audit must be conducted on each child care centre and the administration office.

Here are some examples to consider:

Location	Employment Procedures	Programming Procedures
Administration	ED	n/a
Centre	DO	ED and/or DO

Another option is to form a small task group to take on this task. Select employment or programming policies would be assigned to the task group to audit under the condition that no one can audit their own centre. In this model, the Payment and Parent Policies would be audited at the centre-level by the Accounts Coordinator or the Finance & Admin Coordinator under the direction of the Accounting Manager and ED.

When conducting the audit, the assigned auditor(s) do the following:

- a. Review the procedures compliance audit tool and seek clarification from the executive director (ED) where needed.
- b. Conduct a review of the procedures noted on the compliance audit tool using one or more of the following methods:
 - Review of a 20% sample set of staff files, 10% child's files or other documentation. Where documentation of each program is required, a 10% sample per program is required.
 - Direct observation of children and staff behaviour
 - Discussion and Q & A with the supervisor and an approximate 10% sample of staff where appropriate.
- c. Each procedure is assigned a compliance rating. These ratings are outlined on the chart below.

Compliance Rating	Definition
In compliance	All procedures are consistently implemented by staff within the centre. No action plan is required
Needs Improvement	Procedures are usually implemented by staff, but there is room for improvement in terms of consistency. The auditor has provided direction in terms of areas for improvement and reminders to be discussed with staff within 30 business days of receiving the report.
Non-compliant	Staff are in compliance with fewer than 50% of the stated procedures The auditor has provided direction and the Supervisor must develop an action plan for review and approval within 15 business days of receiving the audit report.

- d. Finalize the procedures compliance audit report and present findings to the ED, if applicable, within 15 business days of conducting the audit and to the centre supervisor and assistant supervisor within 30 business days of completing the audit.
- e. The procedures compliance audit report is then filed by the ED as per Owl's records retention and destruction schedule.

Confirming Compliance to Policy

In most cases, the individual or group that audits the policy will complete a Procedures Audit Summary that identifies how each policy statement is covered by the procedures.

For governance policies that are audited by the Board, the ED will conduct this step to confirm that the procedures, if applicable, address the policy statements.

Reporting Results

Once the procedures compliance audit is completed for a given set of policies on all applicable locations, the ED reviews all procedure compliance results and provides a summary to the Board of Directors.

This summary includes a narrative of trends of interest plus the following:

- a. A list of all policies and an overall rating of *in compliance*, *needs improvement* or *non-compliant* to the policy statements with respect to the results of a procedures audit.
- b. A list of the procedures where 4 or more centres received a *needs improvement* rating. The main issue(s) that require improvement will be identified.
- c. A list of the procedures where 3 or more centres received a *non-compliant* rating. The main issues of non-compliance will be identified.
- d. General information when any centre (centre may not be identified) receives a rating of *in compliance* on fewer than 70% of procedures.
- e. Confirmation that action plans have been developed for each non-compliance procedure.
- f. A follow up timeline in response to those action plans.

Evaluation and Monitoring

Evaluation and monitoring of the policy audit will be the responsibility of the ED for operational policies and the board of directors for governance policies.

The responsibility to monitor the procedures audit schedule remains with the ED during the year. Annually, in Q4, the ED brings forward the Procedures Audit Summary Report to the Board for review.



On the next page you will find a brief self-test, covering material from this section.

(Answers will be found on the page afterwards.)

Use this self-test to evaluate for yourself how well you grasped the material covered. Go back and review any areas you need to.

Self-Test

Policy & Procedures Compliance Audits

1. True or False? The policy and procedures compliance audit process is an important part of the board's governance and oversight function.

2. Which of the following is not a primary reason for conducting a policy audit:
 - a) To ensure it is relevant and up to date with current legislation and/or regulations
 - b) To ensure it is easily understood
 - c) To ensure it is consistently implemented across the organization
 - d) all of these are reasons for conducting a policy audit

3. True or False? Evaluation and monitoring of the policy audit is the responsibility of the Executive Director.

Self-Test Answers

Policy & Procedures Compliance Audits

1. True
2. c) Ensuring consistent implementation across the organization is an objective of a procedures audit, not a policy audit.
3. False. While the Executive Director is responsible for these functions for operational policies, the Board of Directors has responsibility for these functions related to governance policies.

Section 13

Child Care & Early Years Act

The Child Care & Early Years Act governs much of how Owl operates its centres. It is important to understand key elements of it. This section is intended to provide you with an overview to the legislation.

Overview

Child Care and Early Years Act, 2014 (CCEYA) came into effect on August 31, 2015. This legislation replaced the outdated Day Nurseries Act (DNA) and establish new rules governing child care in Ontario.

Many of the new provisions will strengthen compliance and health and safety in child care settings, and help parents make informed choices about their options. Many of the provisions that existed under the regulations under the Day Nurseries Act are unchanged and have been carried forward under the CCEYA.

The Act, and its related Regulations, establish minimum standards which operators of child care and early years programs and services must meet. These minimum standards are in place to ensure the safety and quality of care for children, and address the following areas:

- physical space
- staff qualifications
- child to staff ratio
- health and safety
- nutrition
- basic programming

The remainder of this section will briefly review the various areas that must be met in order to meet licensing requirements. (You may notice that Owl's own Policies and Procedures encompass all of these.)

Fire-Related Policies and Procedures

Written procedures must be approved by the appropriate fire chief for the area and posted in each room. Staff members must be trained in their respective roles for what to do in the event of a fire.

Fire drills must be conducted monthly, and there must be a designated place for emergency shelter. Written records must be kept for all fire drills and testing of fire alarms and equipment. These records must be retained for a minimum of 12 months from the date of the drill or test.

Positive Behaviour Guidance Policies and Procedures

The program statement must set out how Owl will support positive interactions between children, families, staff and the community. In addition, the Parent Handbook must set out Prohibited Practices under the CCEYA which include:

- a Corporal punishment of a child;
- b Physical restraint of a child, such as confining a child to a high chair, stroller or other device for the purpose of discipline or in lieu of supervision, unless used to prevent the child from harming himself or someone else.
 - used only as a last resort and until the risk of harm is no longer imminent.
- c Locking the exits of the centre for the purpose of confining a child in an areas or room without adult supervision, unless such confinement occurs during an emergency and is required as part of the licensee's emergency management policies;
- d Use of harsh or degrading measures or threats or derogatory language directed at a child or used in the presence of a child that would humiliate, shame or frighten the child or undermine his or her self-respect, dignity or self-worth;
- e Depriving a child of basic needs including food, drink, shelter, sleep, toilet use, clothing or bedding; or
- f Inflicting any bodily harm on children including making children eat or drink against their will.

Owl's policies must be reviewed annually. For staff, volunteers and students, policies are reviewed upon employment and annually thereafter.

Playground Safety Policies and Procedures

Playground equipment must be inspected daily, monthly and seasonally. Comprehensive annual inspection and action plans must be established. Repair and injury logs must be maintained.

Written policies and procedures need to be in place to manage all of the above items.

Safe Drinking Water Act Policies and Procedures

Lead flushing must be done on the first day of each week. These records must be retained for 6 years. Sampling and testing for lead is completed annually, unless a request for reduced sampling has been submitted. A copy of annual drinking water sampling/testing reports and any inspections must be sent to the MEDU.

Anaphylaxis Policies and Procedures

Written policies and procedures are required and must include: strategies to reduce the risk, a communication plan regarding allergy information, and an individual plan for each child at risk.

It is also required that staff, students and volunteers have received training on responding to an anaphylactic emergency.

Policies and Procedures Related to Buildings and Accommodations

Building and playground plans must be approved by the MEDU.

Plans must include designated spaces for:

- washing, dressing, toileting
- storage for toys, play materials, equipment
- storage for food
- storage for required records
- storage for medical and cleaning supplies (area not accessible to children)
- heating and electrical equipment (area not accessible to children)

If the program runs for six hours or more, then there must be designated spaces for:

- eating and resting
- food preparation, if meals are prepared on the premises
- storage for beds and linens
- staff rest area
- storage for outdoor equipment
- office area
- separate space for each age group
- separate sleeping area from the activity area for infants

Each centre must have a play space area of at least

- 2.8 square metres of unobstructed floor space for each child in an infant, toddler, or preschool group
- 2.58 square metres of unobstructed floor space for each child in a licensed kindergarten or school age group

Policies and Procedures Related to Equipment and Furnishings

A cradle or crib, complete with bedding, must be provided for each infant. Also required is a change table or counter space for dressing and changing diapers. This must be adjacent to a sink.

Toddlers and preschool children enrolled for 6+ hours must be provided with a cot, complete with bedding. JK/K children no longer require a nap, but should one be requested, it must be accommodated.

There must be enough indoor and outdoor play equipment to allow for rotation, and it must be maintained in a safe and clean condition. A telephone must be readily accessible should the need arise to obtain emergency assistance.

Playground Policies and Procedures

An outdoor play space is required when operating 6 or more hours per day. The outdoor play space must be 60 square feet per child based on licensed capacity. Fencing must be a minimum of 1.2m (4 feet) with 1 or more gates that are securely closed at all times.

Records Policies and Procedures

The centre must have records/evidence that the premises comply with:

- laws affecting the health of the inhabitants of the municipality
- any rule, regulation, direction or order of the local Board of Health or Ministry of Health
- any municipal by-law for the protection of persons from fire hazards
- any municipal by-law to regulate construction, repair and use of buildings
- Ontario Building Code
- requirements of the Fire Code and Fire Protection and Prevention Act

The insurance policy must be kept in full force and evidence of such must be on file at each centre.

Emergency phone numbers must be readily available, including:

- Fire department
- Nearest hospital
- Nearest ambulance service
- Nearest poison control centre
- Police department
- A taxi service
- Emergency shelter

Key pieces of information must be kept for each child, including:

- Family physician, including name, address and phone number
- Parent information: home and work addresses and phone numbers
- Emergency contact name and phone number
- Any special medical or additional information provided by a parent that could be helpful in an emergency
- Address or phone number for which a parent or another person can be contacted in case of an emergency
- Names of persons to whom the child can be released
- Parent's written and signed instructions for any special requirements regarding diet, rest or exercise

Unless the child attends a school within the meaning of the Education Act, parents must provide proof of immunization before admission and from time to time thereafter based on Ministry of Health recommendations. Alternatively, parents may provide a written exemption based on their own or a physician's objections.

A daily written record must be kept which includes a summary of any incident affecting the health, well-being and safety of staff or children. This must be retained for 3 years from the date the child is discharged.

A daily attendance record must be kept for each child, documenting their arrival and departure times, or their absence.

There are additional requirements for children with special needs:

- A consent form signed by a parent allowing them to participate in any special programs or services
- A record of all referrals
- A summary and date of any assessments

Policies and Procedures Related to Staffing, Qualifications and Group Size

A supervisor plans and directs the program, is in charge of the children, oversees the staff and is responsible to the operator. The supervisor must have an ECE diploma or equivalent, plus 2 years experience, and be approved by the Director. Where the supervisor is absent, another person will be designated by the operator to be responsible (i.e. the assistant supervisor).

The following chart outlines staff requirements whether on or off site. These may vary with approval by the MEDU Director:

Age	Ratio	Maximum Group Size
Infants (< 18 months)	3 : 10	10
Toddlers (18 - 30 months)	1 : 5	15
Preschool: (31 months - 5 years)	1 : 8	16
JK / SK (44 - 67 months)	1 : 13	26
Primary/Jr. School-age (68 months - 12 years)	1 : 15	30
Jr. School-age (9-12 years of age)	1 : 20	20

Nutrition Policies and Procedures

All food or drink must be stored, prepared and served so as to retain maximum nutritive value and prevent contamination.

Children one year and older are offered nutritious foods as per schedules provided by the Ministry. Infants must be fed according to written instructions from the parents.

Menus must be posted in a conspicuous place for the current and following week. Substitutions must be noted on the menus. Menus, with noted substitutions, must be kept for 30 days after the week has ended.

A list of children with allergies must be posted in each cooking and serving area.

Program Statement

Operators are required to have a Program Statement that fulfills the following requirements and is shared with parents.

- (1) Every licensee shall have a program statement that is consistent with the Minister's policy statement on programming and pedagogy issued under subsection 55 (3) of the Act and shall review the program statement at least annually for this purpose.
- (2) The program statement shall reflect a view of children as being competent, capable, curious and rich in potential
- (3) The program statement shall describe the goals that guide the licensee's program for children at a child care centre it operates or at a home child care premises it oversees, and the approaches that will be implemented in the program to,
 - a. promote the health, safety, nutrition and well-being of the children;
 - b. support positive and responsive interactions among the children, parents, child care providers and staff;
 - c. encourage the children to interact and communicate in a positive way and support their ability to self-regulate;
 - d. foster the children's exploration, play and inquiry;
 - e. provide child-initiated and adult-supported experiences;
 - f. plan for and create positive learning environments and experiences in which each child's learning and development will be supported;
 - g. incorporate indoor and outdoor play, as well as active play, rest and quiet time, into the day, and give consideration to the individual needs of the children receiving child care;
 - h. foster the engagement of and ongoing communication with parents about the program and their children;
 - i. involve local community partners and allow those partners to support the children, their families and staff;

- j. support staff, or others who interact with the children in relation to continuous professional learning; and

Operators are required to document and review the impact of the strategies set out in clauses (a) to (j) on the children and their families.

Owl must ensure that the approaches set out in its Program Statement are implemented in the operation of its program at each child care centre it operates.

Parent Handbook

A Parent Handbook is required that outlines the method of operation and that sets out the following:

- Services offered and age ranges served
- Hours of operation and holidays observed
- Fees, admissions and discharge policies
- and the Program Statement

The overall program should be varied and flexible and appropriate for the developmental level and ages of the children. Activities should promote fine/gross motor skills, language and cognition, social and emotional development. There should be a balance between active and quiet play.

A daily program plan, which sets out the activities for the day, should be posted and available to parents at all times. Changes must be noted in a daily written record.

Children over 30 months who are in attendance for 6+ hours are offered 2 hours of outdoor play daily, weather permitting. Children under 30 months of age are to be outdoors for play or sleep or both for up to 2 hours daily.

Children 18 months to 5 years require a rest period – either sleep or engaged in quiet activities – to not exceed 2 hours following lunch.

Children with Special Needs

Where applicable, there is an up-to-date individualized support plan for each child with special needs or medical needs that describes:

- how the child care centre will support the child to function and participate while in the care of the centre or provider; and
- any supports or aids, or adaptations or other modifications to the physical, social and learning environment that are necessary
- instructions relating to the child's use of the supports or aids or, if necessary, the child's use of or interaction with the adapted or modified environment, where applicable.

Health and Medical Supervision Policies and Procedures

Where medication must be administered while a child is in care, one employee shall be in charge of all drugs and medications and are only dealt with by that person or his/her designate based on written procedures. The operator may permit a child to carry asthma or emergency allergy medications in accordance with written procedures established by a physician or registered nurse. Administration is only allowed where a parent gives written authorization and has a schedule that sets out the times to be given and the dose.

Medications are to be:

- Stored per the instructions on the label
- Administered per the instructions on the label and the authorization of the parent
- Inaccessible to children at all times
- Kept in a locked container or area

A fully stocked first aid kit is on the premises and readily available.

Other Policies and Procedures

Written policies and procedures must be maintained for **serious occurrences** (SOs). The Program Advisor must be notified of any SOs and they need to be reported within 24 hours of their occurrence.

Written policies and procedures are in place for the management of **records checks**.

“No Smoking” signs must be posted. Smoking is prohibited on the premises and the playground.

Prior to commencing employment, each employee has a health assessment and immunizations as recommended by the local Ministry of Health. Alternatively, the employee may have an exemption on file based on their written objections (or that of their physician).

Child Care Modernization

On February 1, 2016, the Ontario Ministry of Education posted a new Regulatory Registry Consultation Document regarding the Child Care and Early Years Act. The Ministry has been revising regulations using a phased in approach regarding the following:

- A. Service System Management and Funding
- B. Licensing Clarity
- C. Enforcement
- D. Tiered Licensing – term of a license
- E. Licensing Standards
- F. Licensing Fees

- G. Before- and after-school programs for children age 6-12 years (BASP 6-12): Extended Day and Third Party Programs
- H. Miscellaneous Regulations

Child Care Advocacy

In October 2015, Owl's Board of Directors affirmed support for universally accessible, high quality, non-profit, regulated child care.

In support of those efforts, an advocacy page is on Owl's website:
<https://www.owlchildcare.org/index.php/about/child-care-advocacy>

This support was reconfirmed in the 2017-2019 Strategic Plan. To learn more about universal child care, watch the Child Care 2020 video to better understand the vision.

See: <https://www.youtube.com/watch?v=t0Q51UQcDgI>





On the next page you will find a brief self-test, covering material from this section.

(Answers will be found on the page afterwards.)

Use this self-test to evaluate for yourself how well you grasped the material covered. Go back and review any areas you need to.

Self-Test

Child Care & Early Years Act

1. Which of the following is not an area addressed by the Act:
 - a) nutrition
 - b) transportation
 - c) staff ratio
 - d) basic programming
 - e) all of the above are addressed by the Act

2. True or False? Any medication that a child is required to take must be kept out of the classroom and with his/her belongings, either in the child's backpack or cubby.

3. Which of the following is not required in the Program Statement?
 - a) approaches
 - b) definitions
 - c) goals
 - d) implementation & monitoring policy

Self-Test Answers

Day Nurseries Act

1. b) transportation
2. False. Medications must be inaccessible to children at all times, and kept in a locked container or area.
3. b) definitions. The Program Statement must set out goals, approaches to meet those goals and how the program will monitor implementation. That being said, to ensure understanding of certain pedagogical approaches using a definition may be helpful.