

FAQ's that have been answered:

From Program Supervisor from Southwest Region:

1. Gasoline is not specifically mentioned. Is it to be put in "Travel", or "Supplies Related to Repair and Maintenance"?

2.

RESPONSE: Motor vehicle and non-heating fuels, such as gasoline, are to be classified under "Other Supplies and Equipment"

3. Mortgage principal is only an allowable expense if the ministry has financial interest in the building. Does this mean that we need to register a claim on title for MCSS for any building we are paying a mortgage on, or will we need to another source of money to pay for buildings?

RESPONSE: If Ministry subsidy is being utilized as part of other service costs to pay for a building then Ministry interest should be registered on title.

4. There are accounts for "Services Related to Repairs and Maintenance" and for "Supplies Related to Repairs and Maintenance" . If an invoice has both material and labour, such as a new roof on a building, or a new muffler for a car, are we expected to break the cost between the two accounts.

RESPONSE: Services contracted for the provision of repairs and maintenance are to be classified under "Services Related to Repairs and Maintenance", even if the expenditure includes both material and labour costs.

5. There is not a category for NEW furniture and equipment – for example if the agency had to replace within a group home a washing machine or dryer etc. There is a category for Other – Supplies and Equipment but it indicates that the item cannot cost more than \$1,000 where should these new items be?

RESPONSE: New furniture and equipment are to be classified under "Other Supplies and Equipment" . Any items which are acquired and capitalized during the budget year must be identified as an "Approved Capitalized Asset Acquisition".

From Hamilton/Niagara Region TPAR Session:

1. Do compensated absences include salaries and benefits?

Compensated Absences are salaries and wages paid to employees for time when they are not at work. This will remain part of total salaries but will also be reported separately in the Q4/year-end report. For example, this includes vacation time, sick leave, statutory holidays, education leave, pregnancy/parental leave, bereavement/compassionate leave, union leave and religious accommodation.

Generic TP Budget Package User Guide, Page 62- Appendix,A (2A-2)

2. Do compensated absences include Statutory Holidays?

Compensated Absences are salaries and wages paid to employees for time when they are not at work. This will remain part of total salaries but will also be reported separately in the Q4/year-end report. For example, this includes vacation time, sick leave, statutory holidays, education leave, pregnancy/parental leave, bereavement/compassionate leave, union leave and religious accommodation.

Generic TP Budget Package User Guide, Page 62- Appendix,A (2A-2)

3. Do compensated absences include training days?

Compensated Absences are salaries and wages paid to employees for time when they are not at work. This will remain part of total salaries but will also be reported separately in the Q4/year-end report. For example, this includes vacation time, sick leave, statutory holidays, education leave, pregnancy/parental leave, bereavement/compassionate leave, union leave and religious accommodation.

Generic TP Budget Package User Guide, Page 62- Appendix,A (2A-2)

Example : The salary of the individual away on the training day would be included under compensated absences, but the training cost (cost of the course) would be included in the expenditures worksheet – Staff Training.

4. In expenditures, is travel just for staff or does it apply to clients as well?

Travel:

- Expenses for client travel and staff who accompany the client;
- Expenses related to staff travel while carrying out their service mandate;
- Expenses for staff travel for the purposes of continuing education (e.g. attending meetings at another location) and/or undertaking non-client activity;
- The travel expenses of board members representing the service provider at conferences and conventions, or while they are performing services on behalf of the service provider; and
- Expenses can include: taxi, bus or airfare, car mileage, vehicle rental, accommodation and meals; and other expenses, where applicable.

2013-14 Transfer Payment Budget Package [Standardized Revenue and Expenditure Categories and Definitions](#), Page 2 – Transportation and Communication (2A-2A)

5. What is the difference between “statutory” benefits and “other” benefits?

Benefits:

Statutory – includes mandatory benefits such as Canada Pension Plan (CPP), Employment Insurance (EI), Employer Health Tax (EHT), etc.

Other – includes non-mandatory benefits such as Workplace Safety and Insurance Board (WSIB) premiums, pension contributions, group life coverage, extended health benefits, dental benefits, long-term disability coverage and any other non-mandatory benefits paid by the employer.

2013-14 Transfer Payment Budget Package [Standardized Revenue and Expenditure Categories and Definitions](#), Page 2 – Transportation and Communication (2A-2A)

6. With the expenditure worksheet now hard coded are these the only lines expected on the Audited Financial Statements (AFS)?

The standardized expenditure categories are based on the ministry Chart of Accounts. These codes are required for reporting on your TPAR. The Ministry does not mandate codes to be used in your AFS. It would certainly be helpful if AFS follow this, but this is not mandatory.

7. Where do you code “per diems” for family home programs?

Expenditure Worksheet – Purchased Client Services. Please discuss this further your Program Supervisor during budget negotiations.

8. Is mortgage interest admissible?

Principal and interest on capital loans are admissible expenditures only in ministry approved debt retirement situations (i.e., the retiring or paying out of a mortgage). A Mortgage Funding Agreement must be executed in these cases.

Capital Loans (Excerpt from Admissible/Inadmissible Expenditures policy 1-11)

From Program Supervisor from Hamilton/Niagara Region

- 1) Municipal taxes. The new categories allow municipal taxes that are part of a rental to be expensed under Rent/Lease/Mortgage Interest, but do not deal with municipal taxes when the building is owned. Since MPAC has taken the position that buildings that we operate programs in are subject to municipal tax and are aggressively reassessing properties in our sector, is it acceptable to put municipal taxes for buildings we own in the Rent/Lease/Mortgage Interest category? – **report under Other Services**
- 2) Vehicle loan payments. Can they be charged to Other Services along with vehicle lease payments as a capital lease is essentially the same as a vehicle loan? – **report under Other Services**
- 3) Mortgage interest. Can mortgage interest on buildings already purchased and mortgaged before the current rules were instituted be reported under Rent/Lease/Mortgage Interest, even if the Ministry has no interest? – **report under Mortgage Interest**

- 4) Interest on loans used for other purposes for which collateral mortgages are held by the financial institution as security. Again, for transactions which took place before the current rules were instituted, can the interest be claimed as an expense? Would it be under Rent/Lease/Mortgage interest or Other services? A common situation where this would occur is where the corporate line of credit is secured by the assets of the agency. – **technically interest on loans is an inadmissible expense unless authorized by the Ministry. If the Program Supervisor allows this expense, it can be reported under Other Services**

- 5) Did these key changes in this attachment every get implemented? The changes related to non-arms length transactions do not seem to be in the version on admissible/inadmissible expenses currently on the MCSS website. – **the guideline has not been updated yet for 2013/14**