

# Ontario Works Directives

## 11.3: Cost Sharing

### Legislative Authority

Sections 48(1), 49(1, 3, and 7), 51-56 of the Act.

Sections 1-4, 6-12, and 13.1-13.8 of Regulation 135/98.

### Audit Requirements

Provincial-municipal/First Nations cost sharing arrangements and procedures are adhered to in accordance with provincial standards.

### Application of Policy

The **Ontario Works Act** provides a description of provincial-municipal/First Nations cost sharing arrangements and the role of the Province and delivery agents in supporting those arrangements.

There are two transfer payment funding envelopes that support the delivery of Ontario Works:

- Basic Financial Assistance is subject to the provincial upload and includes the provision of income assistance, benefits and emergency assistance to eligible Ontario Works and Ontario Disability Support Program recipients.
- Program Delivery funding supports program administration and the provision of employment assistance activities to eligible Ontario Works and Ontario Disability Support Program recipients. Cost sharing of Program Delivery funding is split between 50/50 and a portion subject to the provincial upload.

### Cost Sharing and Recovery

#### Basic Financial Assistance

Basic Financial Assistance is cost shared as outlined in Table 1 of this Directive, with the following exceptions:

- The Province provides 100% of Ontario Works costs in territories without municipal organization (TWOMO) and the Town of Moosonee.
- The province provides 100% funding of the Ontario Works and Ontario Disability Support Program (ODSP) Transition Child Benefit.
- Cases eligible for cost sharing as Indian Welfare Services (IWS) administered

by a municipality are eligible for 100% provincial funding.

- The province provides 100% of basic financial assistance costs incurred by a band for non-band member cases on reserve.
- The province provides 100% of basic financial assistance costs incurred by designated First Nations group delivery agents for persons who are not a member of the participating bands.

<b>Table 1 – Ontario Works Cost Sharing of Basic Financial Assistance</b>								
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Ongoing</b>
Municipal/ First Nations Share	17.2%	14.2%	11.4%	8.6%	5.8%	2.8%	0%	0%
Provincial Share	82.8%	85.8%	88.6%	91.4%	94.2%	97.2%	100%	100%

Effective April 1, 2013, the maximum amount of discretionary benefit expenditures eligible for provincial cost-sharing is determined by the formula:

- the greater of \$10 per case per month (caseload equals the sum of the average monthly Ontario Works caseload and the average monthly Ontario Disability Support Program caseload within the delivery agent’s geographic area); or
- \$2,500 per month.

Costs of funeral and burial or cremation costs in excess of the Director approved guideline ([see Directive 7.2: Health Benefits](#) for more information) that are incurred by First Nations delivery agents are not included in the calculation of the maximum amount of discretionary benefits expenditures eligible for provincial cost-sharing and are funded 100% by the province.

### **Program Delivery Funding**

Program Delivery funding is intended to support program administration and the provision of employment services to eligible Ontario Works and Ontario Disability Support Program recipients. Delivery agents have the flexibility to determine how to allocate their Program Delivery funding toward eligible Program Delivery costs (see approved costs for Program Delivery).

The provincial-municipal/First Nations cost sharing arrangement for Program Delivery is divided so that a portion of the funding is cost shared 50/50 and a portion is subject to the provincial upload and cost shared as outlined in Table 2 :

<b>Table 2 – Ontario Works Cost Sharing of Program Delivery Subject to the Provincial Upload</b>								
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Ongoing</b>
Municipal/ First Nations Share	17.2%	14.2%	11.4%	8.6%	5.8%	2.8%	0%	0%
Provincial Share	82.8%	85.8%	88.6%	91.4%	94.2%	97.2%	100%	100%

The cost recovery arrangements of Program Delivery funding are divided so that the 50/50 portion is expenditure-based funding and the portion subject to the upload is outcomes-based funding, as outlined below:

- Expenditure-based funding: all unspent 50/50 funding is recovered at the end of the delivery agent's fiscal year.
- Outcomes-based funding: up to 15% of the total approved upload funding may be recovered based on the non-achievement of outcomes at the end of the multi-year business cycle.

When communicating Program Delivery funding allocations, the ministry will identify how the funding allocation is divided between 50/50 expenditure-based funding and upload eligible, outcomes-based funding.

### **Approved Costs for Program Delivery**

Program Delivery costs include costs related to the administration of both financial and employment assistance, as well as the provision of employment assistance activities to eligible Ontario Works and Ontario Disability Support Program recipients.

The following definitions apply to Ontario Works Program Delivery costs eligible for cost sharing:

#### **Staffing**

Payment of gross salary and wages, vacation pay, sick pay, compassionate pay, overtime, and statutory holiday pay for staff involved in the delivery of social assistance and staff supporting the delivery function. This may include head official, management, supervisory, program development, direct delivery, administrative support, payroll, accounting and finance, human resources, technological support, security, legal and audit staff.

#### **Benefits**

Employer contributions to pension, employment insurance, workers

compensation, employee benefit plans, and other legal requirements of the employer.

### **Accommodation**

Reasonable costs to a maximum of fair market value for accommodation required for social assistance delivery and administration. Fair market value for purchased accommodation is defined as the probable estimated dollar price of a property if that property were exposed for sale in the open market by a willing seller and allowing a reasonable time for a willing buyer.

The Regional Office negotiates an annual budget with the delivery agent, which includes the annual cost shareable amount for the rental of a building. Provincial-municipal cost sharing for accommodation applies to owned buildings as well. The Regional Office and delivery agent establish an annual figure based on fair market value of rent or imputed rent.

### **Travel**

Reimbursement of staff costs for travel required to carry out the delivery and administration of social assistance. Travel costs in Ontario that are associated with attendance at meetings relevant to social assistance delivery.

### **Education & Staff Training**

Staff development and educational opportunities which assist the delivery and administration of social assistance. Travel, accommodation and costs associated with educational conferences, seminars, etc. within Ontario.

### **Technology**

Computer hardware, software, networks, access charges, operating costs, system enhancements, computer supplies, and maintenance required to support the delivery and administration of social assistance.

### **General Office Expenses**

Costs associated with the following items as required to support the delivery and administration of social assistance:

1. Telephone and fax (may include rentals, regular charges, long distance, TDD);
2. Postage and courier;
3. Office supplies (may include stationary, forms, maps, books, periodicals);
4. Printing (may include production, translation, printing and other costs);
5. Photocopier rental and service;

6. Insurance payments (fidelity, fire, public liability, other);
7. Furnishings;
8. Office equipment and maintenance;
9. Building maintenance (may include janitorial, cleaning, minor repairs, security);
10. Bank transaction charges;
11. Collection and bad debt costs (may include court fees, credit bureau, etc.);
12. Advertising and marketing (job postings, newsletters);
13. Research, consultation, and professional services;
14. Moving and relocation;
15. Membership and subscriptions;
16. Security;
17. Records management; and
18. Minor miscellaneous expenses.

### **Employment Related Expenses**

Costs associated with payments to eligible Ontario Works and Ontario Disability Support Program recipients to cover out of pocket expenses associated with participation in employment assistance activities (see Directive 7.4: Employment and Participation Benefits).

### **Purchase of Services**

Costs associated with services purchased from community agencies for delivery of employment services. Examples include employment placement programs, counselling services, and career planning.

### **Internal Services**

Costs associated with administration services that can be attributed to multiple programs. Examples include legal, accounting and human resource services costs.

Note: The definitions outlined above are functional in nature. Social assistance delivery functions may be dedicated or pro-rated for the portion associated with social assistance delivery, if shared with other departments and offices.

### **Payment Procedures**

Ontario Works Program Delivery funding is set out on an annual basis within the delivery agent's approved service contract. Ministry subsidy of Program Delivery funding is initially flowed to the delivery agent from the regional office in monthly payments of 1/12 of the approved subsidy. However, information from the Year-to Date (YTD) report may result in an in-year adjustment of the monthly payment.

Ontario Works basic financial assistance expenditure and caseload data are reported through the Application for Monthly Payment of Provincial Subsidy for Assistance. The delivery agent submits the form to the Regional Office. The Regional Office uses the expenditure and caseload data in the calculation of the monthly payment to the delivery agent.

Ministry subsidy of financial assistance funding is provided as a net Ontario Works payment to the delivery agent from the regional office at the beginning of each month, using the following procedures:

- The Municipal Provincial Cost Share System captures information reported by the delivery agent on the Application for Monthly Payment of Provincial Subsidy for Assistance.
- The advance payment is calculated using a three-month rolling average.