

# **EMPLOYMENT ONTARIO**

## **APPRENTICESHIP ENHANCEMENT FUND (AEF)**

**2011-2012**

## **GUIDELINES AND REQUIREMENTS (REVISED)**

**ISSUE DATE:**

**Friday, August 10, 2011**

**BASE REPORTS DUE:**

**Friday August 19, 2011, 5:00pm**

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August 2011

<http://www.ontario.ca/eopg>



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## **APPRENTICESHIP ENHANCEMENT FUND**

### **1. BACKGROUND**

The Ministry of Training, Colleges and Universities (MTCU) recognizes the need for Colleges of Applied Arts and Technology (CAATs) and non-college training delivery agents (approved TDAs) to update their equipment and facilities in order to deliver relevant, high-quality training in support of Ontario's workplace-based apprenticeship programs, to ensure that TDAs training facilities can meet the evolving needs of the workplace with its advancing technology, to increase capacity to train and upgrade the skills of our skilled trades workforce, and to ensure an adequate supply of skilled journeypersons are available to meet replacement and new growth needs. Enhancing the apprenticeship system is essential to building the skilled workforce Ontario needs to compete in today's economy.

The Apprenticeship Enhancement Fund (AEF) will invest \$14 million over 2011-12 so that approved TDAs delivering apprenticeship training programs will have the opportunity to acquire state-of-the-art equipment, update facilities, and support increased apprenticeship placements.

### **2. FUNDING FOR INDIVIDUAL APPROVED TDAs**

The planned annual distribution of 14 million (12 to CAATs and 2 to non-college TDAs) over 2011-12 is set out below.

#### **BASE ALLOCATION**

Each approved TDA will receive \$20,000, as well as a portion of funding which is calculated based on seat purchase funding averaged over the previous three fiscal years. This formula reflects the hours of apprenticeship training provided by approved TDA and includes all delivery models.

The base funding allocation to each approved TDA for 2011-12 will be provided separately.

### 3. APPRENTICESHIP ENHANCEMENT FUND OBJECTIVES

The AEF will increase apprenticeship training capacity and will allow for the modernization of hands-on training equipment and facilities in approved TDAs so that the delivery of in-school, hands-on trade-related apprenticeship training is supported.

Funding provided through the AEF is intended to be used to:

- support Ontario's commitment to increase the number of new entrants to apprenticeship programs and help them complete their training to ensure an adequate supply of skilled tradespersons is available to meet replacement and new growth needs that underpins economic recover and future prosperity;
- renew and upgrade shop facilities and hands-on training equipment, including mobile apprenticeship training units, to support increased apprenticeship enrolment and completion;
- better prepare apprentices in the skilled trades and ensure that quality in-school placements are available to support their workplace training programs;
- enable approved TDAs to modernize their hands-on training equipment and facilities to keep pace with the changing needs of the workplace and its many technological advances (approved TDAs are encouraged to direct the funding to respond to the emerging local labour market needs in green energy);

#### **Projects Eligible for AEF Funding**

The AEF is a capital acquisition program.

AEF funds are designated for MTCU approved apprenticeship training activities and each organization must be an approved Training Delivery Agent, for the trade(s) and levels for which they are requesting funding.

TDAs will determine priority projects.

AEF costs eligible for consideration include:

- alterations and renovations to existing facilities, including mobile apprenticeship training units used for hands-on apprenticeship training purposes to improve the condition and efficiency of apprenticeship instruction;
- replacement of existing equipment to meet industry standards and support growth in apprenticeship enrolment and completions;
- purchase of new equipment to support training capacity growth;
- purchase of new equipment resulting in program delivery efficiencies, i.e., affecting more than one training program;
- improvements that support training in the green energy sector and high demand trades;
- improvements to remove accessibility barriers to persons with disabilities;
- projects which can be completed on or before March 31, 2012.

### Projects Ineligible for AEF Funding

Ineligible costs include:

- financing projects in areas that are not used for hands-on apprenticeship training (e.g., student residences, automobile parking, recreation facilities, faculty space, classrooms) or that primarily accommodate administrative functions;
- duplication of already-funded activities or replacement of non-Ontario Government funding sources already committed to such projects;
- replacement of any institutional or partnership contributions for projects previously approved for the organization unless special approval is granted by MTCU;
- Auditing costs.

### Notes

All expenditures are approved by the ministry through the proposal review and approval process. The disposition or reallocation of AEF funds to unapproved projects/purchases is not permitted. The use of AEF funds to support unapproved expenditures may result in the cancellation of the proposal and recovery of funds.

Organizations are reminded that they are responsible for ensuring their facilities are maintained in good repair, and that they provide a safe environment for faculty, staff, and students. Organizations are also responsible for ensuring that their facilities are accessible to persons with disabilities, and that they are in compliance with all applicable federal, provincial and municipal statutes and codes.

The funds may be used to finance the purchase of equipment used in leased facilities, but the organization must identify the location of the equipment upon the expiry of the lease, and the equipment must continue to be used for apprenticeship training. Minor modifications to leased facilities to install equipment are permissible.

AEF funds can be used to enhance activities already funded or supported by other government of Ontario programs but cannot be used to duplicate previously funded activities.

All approved AEF funding must be expended according to the organizations' plan for annual expenditures.

Questions regarding the call for proposals are to be emailed to [AEF@ontario.ca](mailto:AEF@ontario.ca) by **August 9, 2011**. Responses to questions will be posted to the EOPG (Employment Ontario Partners' Gateway), New Postings at [www.tcu.gov.on.ca/eng/eopg/](http://www.tcu.gov.on.ca/eng/eopg/) by August 11, 2011.

#### **4. PROPOSAL REQUIREMENTS - BASE ALLOCATION**

\$14 million will be awarded over the 2011-12 year. Organizations are required to submit a Base Funding Report to the MTCU by **Friday August 19 2011**. Please see Base Funding for 2011-12 detailed on page 3.

##### **A. Overview**

Organizations determine AEF priority projects. An initial base funding report will be submitted to MTCU for approval by Friday, August 19, 2011.

Upon execution of a base funding contract, funds will be released to the organization. MTCU approval will be communicated to institutions via a letter from the Director of the Service Delivery Branch confirming that AEF funds shall be used for the projects identified. All costs associated with approved AEF projects must be incurred in the 2011-12 fiscal year.

In-year progress reports will be required on Friday, January 6, 2012.

Organizations are required to submit a final report by June 29, 2012. The template for the final base funding report is the same as the initial base funding report. The final report captures actual expenditures and costs on the approved projects. An audit of the 2011-12 AEF program must be completed in accordance with the AEF audit guidelines no later than Friday, June 29, 2012.

##### **B. Report Types**

###### **1. Base Funding Report (see Appendix A for template and Appendix B for sample) DUE: Friday, August 19, 2011**

The AEF Base Funding Report for 2011-12 enables each organization to outline the project(s) it wishes to support. The Base Funding Report is required to inform the ministry how the organization will use the base allocation. This enables the ministry to ensure that funds will be utilized for the intended purpose, and that anticipated expenditures are captured.

A project title, individual project names, and a one-line description with a rationale of each project is required. The project description/rationale shall provide the level of detail necessary to establish an audit trail.

In situations where this is not possible, particularly for projects which require the acquisition of a number of small items, a short description of the project shall be submitted with the initial report to ministry staff.

In addition to the project title, the reports are to identify the following, for each project:

- **campus location;**
- project name/rationale
- estimated or, upon acquisition/completion, the actual project costs for both equipment and any construction;
- actual expenditures to date;
- percentage of the project completed to date;
- specific kind or type of equipment being purchased;
- indication of whether the equipment is new or a replacement;
- indication of whether the equipment is being leased or purchased;
- list of trades for which equipment or infrastructure was acquired;
- **identify separately, if related to greening the trade or high demand trade**
- **breakdown of estimated or actual costs, on separate line, by the following categories:**
  - *equipment costs*
  - *construction costs*

Organizations are required to indicate the impact of each project by providing the increase in apprenticeship training capacity in the column provided. The ministry requires the percentage increase and the actual number of seats.

The initial report requires the signature of the Senior Financial Officer of the organization. Upon ministry approval of the projects outlined in a organization's initial report, the ministry will initiate the transfer of funds to said organization. The organization requires written consent and prior approval of the ministry if it plans to substitute new project(s) for previously approved projects or makes changes to the project, timeline and/or budget.

As MTCU funds for AEF are provided for the net cost of AEF projects (i.e. less HST rebates), please record costs (estimated and actual) net of HST.

The template is to be completed and submitted electronically to [aef@ontario.ca](mailto:aef@ontario.ca).

Base allocations will be approved upon receipt of the proposed projects. Confirmation of approved projects will be outlined in contract agreement.

The approved projects will form the basis of an Audit. Any changes to approved projects must be approved, in writing, by the ministry. Changes must be approved prior to purchase.

### 2. Interim and Final Base Funding Report (see Appendix A)

**INTERIM DUE: Friday, January 06, 2012**

**FINAL DUE: Friday, June 29, 2012**

The template for the interim and final base funding report is the same as the initial base funding report and will enable the organization to provide actual expenditures and costs on the approved projects.

Organizations are asked to certify that the projects are complete as approved by adding the signature of the Senior Financial Officer in the space provided at the bottom of the final report.

All projects must be completed by March 31, 2012.

### 3. Final Financial Report and Audit Report

**DUE: Friday, June 29, 2012**

In addition to submitting a completed final report, organizations are required to demonstrate appropriate disposition of funds and compliance with the AEF guidelines and requirements through the submission of an Internal or External Audit Statement. A detailed summary of all AEF disbursements by the auditor must be attached to the External Audit Statement. It is expected that for the AEF program, auditors' examinations will follow the AEF Audit Guidelines, as well as the Auditing and Related Services Recommendations and Guidelines (sections 5805) as issued by the Canadian Institute of Chartered Accountants.

#### Internal Audit

If the base allocation is \$100,000.00 or less, an Internal Audit is required and must capture actual expenditures. Organizations are asked to certify that the projects have been completed as approved by including the signature of the Chief Financial Officer in the space provided. The Internal Audit Statement can be submitted prior to the due date, if the project is completed early.

#### External Audit

If the base allocation is more than \$100,000, organizations will be required to demonstrate appropriate disposition of funds and compliance with the AEF Guidelines and Requirements through an independent External Audit, and the submission of an Audit Statement completed by qualified external auditors. A detailed summary of all AEF disbursements signed by the auditor must be attached to the External Audit statement. The External Audit Statement can be submitted prior to the due date, if the project is completed early.

The disposition or reallocation of funds to other eligible projects that are not accounted for on the ministry approved initial report requires approval of the ministry. Use of funds for any project that has not received ministry approval, may result in the recovery of funds by the ministry at its discretion, through a request for repayment.

### 5.1 Submission Requirements

Each organization must submit an electronic version in Microsoft compatible format (i.e. Word, Excel) plus two (2) hard copies of its base funding, interim, and final reports.

- Electronic version should be emailed to: [aef@ontario.ca](mailto:aef@ontario.ca)
- Hard copies should be mailed or couriered to:

Apprenticeship Enhancement Fund  
Ministry of Training, Colleges and Universities  
Service Delivery Branch, Program Coordinator  
33 Bloor Street East, Suite 200  
Toronto, Ontario M4W 3H1

### 6. SCHEDULE OF EVENTS

EVENT	DATE
Release of Program Guidelines Requirements	Friday August 5, 2011
Questions Due	Tuesday August 9, 2011
Responses Issued by the ministry	Thursday August 11, 2011
Base Funding Report Due	Friday, August 19, 2011
Interim Base Funding report	Friday, January 6, 2012
Project completion	Saturday, March 31, 2012
Final Base Funding Report, Financial Report and Audited Financial Statement	Friday, June 29, 2012

All organizations will be contacted at the conclusion of the review process.

Please note: Amendments to the Schedule of Events will be made at the discretion of the MTCU.

### 7. CONDITIONS

Organizations must comply with the Fire Code (Retrofit Section) while undertaking projects funded under this program. Please note that this code currently exempts organizations from the requirement to renovate all existing buildings to comply with the code, but does not exempt institutions from the need to comply with the Fire Code when renovations and alterations are made to existing buildings.

#### **Procurement Requirements**

The *Broader Public Sector Accountability Act, 2010* came into effect April 1, 2011. Under that legislation two new directives regarding procurement practices and expenses are now in effect. The onus is on each institution to comply with these directives. Copies of the BPS Accountability Act, 2010; Procurement Directive; and the Expenses Directive are available at:

[http://www.e-laws.gov.on.ca/html/statutes/english/elaws\\_statutes\\_10b25\\_e.htm](http://www.e-laws.gov.on.ca/html/statutes/english/elaws_statutes_10b25_e.htm)

[http://www.fin.gov.on.ca/en/bpssupplychain/documents/bps\\_procurement\\_directive.html](http://www.fin.gov.on.ca/en/bpssupplychain/documents/bps_procurement_directive.html)

[http://www.fin.gov.on.ca/en/bpssupplychain/documents/bps\\_expenses\\_directive.html](http://www.fin.gov.on.ca/en/bpssupplychain/documents/bps_expenses_directive.html)

Colleges Institutions are strongly encouraged to visit the Government of Ontario Management Board Secretariat website for procurement information at:

[http://www.fin.gov.on.ca/en/bpssupplychain/documents/bps\\_procurement\\_directive.html](http://www.fin.gov.on.ca/en/bpssupplychain/documents/bps_procurement_directive.html)

## 8. PAYMENT SCHEDULE

The AEF is an in-year program. Funds allocated will normally be flowed to institutions in instalments. The cash flow to individual organizations is conditional upon compliance with the AEF Guidelines and Requirements.

### **Base Allocation**

- 70% of the base allocation will be transferred upon approval of the base allocation funding report, with another 20% at the approval of the interim report and the balance paid upon approval of the final report and final audited statement.

### **8.1 Surpluses**

Given the significance placed on the need for organizations to update their equipment and facilities in order to deliver relevant high-quality training in support of apprenticeship training programs, the MTCU does not expect in-year program spending surpluses to occur. However, it is also recognised that good business practice and sound project management techniques can result in lower than anticipated final project costs.

An organization that has noted a surplus can request, in writing, the opportunity to purchase additional equipment with the surplus funds. Requests will be reviewed by ministry staff. On approval the organization will be notified. If the request is not approved, the organization will be contacted and the request reviewed. After the review, the organization may submit a revised request.

Expenditures must be approved *prior to purchase*. The use of AEF funds to support unapproved expenditures may result in the cancellation of the proposal and recovery of funds.

### **9. PERFORMANCE MEASURES**

Performance measures are an essential management tool for the provincial government. Performance information helps to determine which programs and services are providing value and making a measurable difference with stakeholders.

Under the AEF, one such measure is increased training capacity. The ministry will gather data related to AEF investment into approved TDA infrastructure and approved TDA apprenticeship training capacity. Data will be used for both internal reporting and public announcements. Information to be gathered will include how much was allocated to approved TDAs' the number of apprentices who completed various levels of apprenticeship training, and related completion data in various trades. At this time, it is important that the organization complete the AEF reporting templates accurately, indicating the impact of each project by providing the increase in apprenticeship training capacity in the appropriate column.

All approved TDAs are required to participate in any performance measurement exercises undertaken by the ministry.

### **10. ACKNOWLEDGEMENT OF ONTARIO GOVERNMENT SUPPORT**

It is expected that full acknowledgement of Ontario government support will be provided in all published material and on organizations websites. The approved TDAs shall not make any public announcements concerning the AEF without the express consent of the ministry.

### **11. ADDITIONAL INFORMATION**

The guidelines may be amended or cancelled at any time at the sole discretion of the ministry.

All approved TDAs that submit base funding reports will be advised of the outcome. The successful approved TDAs will be announced in a news release. Successful approved TDAs must not make public announcements prior to the ministry news release.

Prior to receiving any funds or commencing any portion of the project under the base funding allocation, approved TDAs will be required to enter into a written contract with the ministry.

**APPENDIX A**

**AEF**

**Base Funding Report**

**2011-12**

**TEMPLATE**

**Employment Ontario Partners' Gateway**

<p><b>APPENDIX A:</b> <b>APPRENTICESHIP ENHANCEMENT FUND</b></p> <p>FISCAL YEAR: 2011-12</p> <p><b>BASE FUNDING REPORT</b></p> <p><b>PROJECT TITLE</b></p>	<p><b>Mark Type</b></p> <p><input type="checkbox"/> Initial Base Funding Report</p> <p><input type="checkbox"/> Interim Base Funding Report</p> <p><input type="checkbox"/> Final Base Funding Report, Final Financial Report, and Audit Statement</p>	<p><b>Due Date</b></p> <p>August 12, 2011</p> <p>January 6, 2012</p> <p>June 29, 2012</p>
<p><b>APPROVED TDA:</b></p> <p>_____</p>		

Campus Location (Name and City)	Project Name/Rationale	ESTIMATED TOTAL (\$)		EXPENDITURES to date (\$)	EQUIPMENT TO BE PURCHASED			For which trade and proportion to be used for training apprentices	% of project progress (estimate)	Use and location of equipment upon expiry of location lease	IMPACT				
		Equipment	Construction		Specify Kind/Type	New	Replacement				New or Existing Trade	To Meet Industry Standards	Increase in Capacity (% and actual # of seats)	Improvements to remove accessibility barriers	Is this greening an existing trade or Increasing capacity in a high demand trade

## Employment Ontario Partners' Gateway

<p>Ontario is reviewing its apprenticeship programs to ensure that the technical work and processes that the trade/occupation performs has been carefully reviewed to include requirements for emerging “green” technologies, managing surplus and scrap materials, conserving building materials and energy, and preventing spills or escape of toxic or hazardous gases and waste. As apprenticeable trades and occupations are more mindful of the need for environmental sustainability, they are adopting materials tools and procedures that offer environmental harm reductions TDAs are encouraged to direct the funding towards improvements that support training in the green energy sector and high demand trades</p> <p>Training in the green sector is considered to be training that deals with information, technologies or materials, which help reduce society’s impacts or contribute substantially to preserving or restoring environmental quality.</p> <p>If you have indicated that the project is greening an existing trade, please provide rationale:</p>	<p><b>Project Name (as indicated above)</b></p>	<p>Rationale</p>
<p>High demand trades are defined as being trades with projected skills shortages or trades for which projected demand exceeds projected supply</p> <p>If you have indicated this as a project in a high demand trade, please provide rationale:</p>		
<p><b>Initial Base Funding Report Requirement</b></p> <p><b>I certify that the proposed expenditures listed above support industry requirement as per currently approved training for the trade as well as building capacity.</b></p>		
<p><b>Interim and Final Report Requirements</b></p> <p><b>I certify that expenditures were incurred on the projects listed above and that these projects received Apprenticeship Enhancement Funds</b></p>		
<p>Name</p>	<p>Name</p>	<p>Date</p>
<p>(Print)</p>	<p>(Signature)</p>	<p>Senior Financial Officer</p>

**APPENDIX B**

**AEF**

**Base Funding Report**

**2011-12**

**SAMPLE**

## Employment Ontario Partners' Gateway

<p><b>APPENDIX B:</b> <b>APPRENTICESHIP ENHANCEMENT FUND</b></p> <p><b>FISCAL YEAR: 2011-12</b></p> <p><b>BASE FUNDING REPORT</b></p> <p><b>PROJECT TITLE</b></p>	<p><b>APPROVED TDA:</b> <u>Sample TDA</u></p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: left;">Mark Type</th> <th style="text-align: left;">Due Date</th> </tr> <tr> <td><input checked="" type="checkbox"/> Initial Base Funding Report</td> <td>August 19, 2011</td> </tr> <tr> <td><input type="checkbox"/> Interim Base Funding Report</td> <td>January 6, 2012</td> </tr> <tr> <td><input type="checkbox"/> Final Base Funding Report, Final Financial Report, and Audit Statement</td> <td>June 29, 2012</td> </tr> </table>	Mark Type	Due Date	<input checked="" type="checkbox"/> Initial Base Funding Report	August 19, 2011	<input type="checkbox"/> Interim Base Funding Report	January 6, 2012	<input type="checkbox"/> Final Base Funding Report, Final Financial Report, and Audit Statement	June 29, 2012
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<input type="checkbox"/> Final Base Funding Report, Final Financial Report, and Audit Statement	June 29, 2012									

Campus Location (Name and City)	Project Name/Rationale	ESTIMATED TOTAL (\$)		EXPENDITURES		EQUIPMENT TO BE PURCHASED			% of project progress (estimate)	Use and location of equipment upon expiry of location lease	IMPACT				
		Equipment	Construction	to date (\$)	Specify Kind/Type	New	Replacement	For which trade and proportion to be used for training apprentices			New or Existing Trade	To Meet Industry Standards	Increase in Capacity (% and actual # of seats)	Improvements to remove accessibility barriers	Is this greening an existing trade or Increasing capacity in a high demand trade
Sample campus, sample city	Replace existing lathes in machine shop	\$200,000 (\$20,000 x 100)			10 Lathes		x	Tool and Die General Machinist	0%	n/a	Existing	x	20% (8 seats)	n/a	Greening the existing trade
	Replace 4 surface grinders no longer capable of grind to required specifications	\$60,000 (\$15,000 x 4)			4 Surface Grinders			Industrial Millwright 100% of programs using the shop are apprenticeship	0%	n/a	Existing	x	25% (4 seats)	n/a	n/a
	Front End Alignment Trainer It was necessary to farm out activity to local shops. They were not wheel chair accessible and there was potential for a loss of control of training content. Total	\$15,800  \$278,800			Alignment Unit	x		Automotive Service Technician-85% of the usage will be for apprenticeship						x	Increasing capacity in a high demand trade

## Employment Ontario Partners' Gateway

<p>Ontario is reviewing its apprenticeship programs to ensure that the technical work and processes that the trade/occupation performs has been carefully reviewed to include requirements for emerging “green” technologies, managing surplus and scrap materials, conserving building materials and energy, and preventing spills or escape of toxic or hazardous gases and waste. As apprenticeable trades and occupations are more mindful of the need for environmental sustainability, they are adopting materials tools and procedures that offer environmental harm reductions TDAs are encouraged to direct the funding towards improvements that support training in the green energy sector and high demand trades</p> <p>Training in the green sector is considered to be training that deals with information, technologies or materials, which help reduce society’s impacts or contribute substantially to preserving or restoring environmental quality.</p> <p>If you have indicated that the project is greening an existing trade, please provide rationale:</p>  <p>High demand trades are defined as being trades with projected skills shortages or trades for which projected demand exceeds projected supply</p> <p>If you have indicated this as a project in a high demand trade, please provide rationale:</p>	<p><b>Project Name (as indicated above)</b></p>	<p><b>Rationale</b></p>
<p><b>Initial Base Funding Report Requirement</b></p> <p><b>I certify that the proposed expenditures listed above support industry requirement as per currently approved training for the trade as well as building capacity.</b></p>		
<p><b>Interim and Final Report Requirements</b></p> <p><b>I certify that expenditures were incurred on the projects listed above and that these projects received Apprenticeship Enhancement Funds</b></p>		
<p><b>Name</b></p>  <p><b>(Print)</b></p>	<p><b>Name</b></p>  <p><b>(Signature)</b></p>	<p><b>Date</b></p>  