Ontario ⟁

Ministry of Labour, Immigration, Training, and Skills Development

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Skills Development Fund

Training Stream Application Guide

July 2024

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The Ministry of Labour, Immigration, Training and Skills Development (the "ministry") is allocating funding in 2024-25 through the Skills Development Fund Training Stream (SDF) to support projects that will support Ontario's growing workforce and address ongoing labour shortages seen throughout the province.

In the event of any conflict or inconsistency between the Application Guide and any terms or conditions in an SDF Transfer Payment Agreement (TPA), the SDF TPA shall prevail. Not all sections of the Application Guide are applicable to all SDF projects. Relevant sections of the Guide will depend on the type of SDF project (e.g., research/prototyping-based, employer-based, or apprenticeship-related project) being implemented by the Recipient.

This is not a legal document. The Application Guide is intended as a resource for information and assistance only and should not be used as or considered legal advice. The Application Guide does not replace or modify any legislation, regulations, or contractual agreements, and is only intended to provide general information about the SDF Training Stream. The Application Guide does not cover every situation and the information provided in the Application Guide may not apply to all circumstances.

The Application Guide is not intended to provide interpretations of the law or identify all laws that may apply. Please consult the relevant legislation, regulations, and contractual agreements that apply to your situation as necessary. If you need help understanding your legal rights or obligations, you may wish to seek legal advice.

1. Context

The SDF Training Stream is an Employment Ontario program that initially launched as a COVID-19 pandemic response initiative in February 2021 and has since moved to focus on economic growth. Economic growth, by investing in Ontario's workforce, addressing ongoing labour shortages and workforce development challenges, is central to the government's agenda.

1.1 Workforce Development Challenges

Ontario is facing tight labour market conditions, with employers reporting recruitment challenges, particularly related to finding workers with specific desired skills and experience.

Furthermore, people now more than ever will require employment and training services because of ongoing economic growth in many key sectors. This includes securing the skilled talent to fill job vacancies in areas of technology, manufacturing, and the skilled trades.

The need to innovate continues to be important for apprenticeship training delivery agents (TDAs) and workforce development training providers. Online and/or virtual training is a relatively new concept for many trades and some training providers might benefit from an investment in innovative approaches to in-class delivery.

1.2 Opportunities to Address Challenges through the SDF

The way people work, learn and train has been changing. Where work is done, how it is conducted, and the need to adapt to changes in society and technology are constant stressors. Access to stable, rewarding work allows Ontarians to participate in the economy and contributes to the building of healthy communities. The government remains committed to investing in forward-looking, collaborative, and responsive solutions to bridge the gap between the knowledge that people have and the skills that employers need to build a talented, resilient and vibrant workforce.

2. What Is the Skills Development Fund?

The SDF will support project-based solutions that offer partnership-driven approaches to stimulate economic growth in emerging and key growth sectors of Ontario's economy which increase long-term economic competitive advantage through workforce development strategies that support workforce sustainability and resilience.

2.1 Objectives of the Program

The main objectives of the SDF are to:

- **Support and help develop a resilient workforce by supporting access to the labour market, and/or retention and capacity-building for employers**. This includes attracting investment and job creation through the development and maintenance of a stable labour force, particularly one that keeps pace with changes in technology and the way that work is done. The objective encompasses bridging the skills gap between unemployed and underemployed[1]

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[1] Underemployed refers to individuals who work in jobs that do not align with their education, skills, and experience.

individuals with the requirements of current in-demand sectors and trades while supporting workers and job seekers who face barriers to entry and enhancing pathways into meaningful and gainful employment.

- **Encourage partnerships across the economy and support innovative ideas and training solutions** to improve the capacity of communities to respond to shocks to labour market conditions in in-demand, emerging and essential sectors. Partnerships quicken market-led recovery, growth, and prosperity to enhance the talent development pipeline.

- **Support in-demand sectors that align with core government objectives like the skilled trades and construction labour to support increasing the housing supply in the province.** Enhance the adaptability, technical skills and knowledge of participants to support key industries by working with community partners to help participants develop advanced skill sets.

3. Program Parameters

To qualify for the SDF, projects must support market-driven solutions that meet each of the following requirements:

1. One or more main objectives (see section 2.1).
2. One or more target sectors or occupations (see section 3.2).
3. One or more participant groups (see section 3.3).
4. One or more focus areas (see section 3.4).

The Primary Applicant must also meet the eligibility criteria described below in section 3.1. The ministry retains absolute and sole discretion to decide which eligible projects are funded.

3.1 Eligible Applicants

a. The following entities are eligible to apply to the SDF as **Primary Applicants**:

- Employers in Ontario other than those listed in section 3.1 (b).
- Minister approved non-college apprenticeship training delivery agents (TDAs).
- Non-profit organizations in Ontario, including Indigenous band offices and Indigenous Skills and Employment Training (ISETs) agreement holders.
- Professional / industry / employer associations.
- Trade unions / union-affiliated organizations.

- Municipalities, District Social Services Administration Boards (DSSABs). Consolidated Municipal Service Managers (CMSMs), Hospitals.

In cases where an application is submitted by a consortium of partners (collectively, applicants), the lead organization for the consortium is the **Primary Applicant** and will be the primary contact for the ministry on all matters related to the submitted application.

If the application is selected, the Primary Applicant will be required to enter a binding Transfer Payment Agreement (TPA) with the ministry as representative of the Government of Ontario (the "Province"). As a party to the TPA, the Primary Applicant will be the funding recipient (Recipient). The Recipient will be accountable to the ministry for managing and executing the development and delivery of the project, managing the funds provided by the ministry, and satisfying the performance and reporting obligations established by the ministry as set out in the TPA. The Recipient will also be obligated to adhere to all the other terms and conditions of the TPA.

Each Primary Applicant must also meet all of the conditions set forth in section 3.1 (c) as a condition of eligibility.

b. The following entities are <u>not</u> eligible to apply for SDF as Primary Applicants:
- Publicly assisted colleges, universities, or Indigenous Institutes in Ontario;
- Career colleges registered under the *Ontario Career Colleges Act, 2005*; and,
- District School Boards.

However, these entities are eligible to participate in SDF as a partner with an eligible Primary Applicant or as one of several partners in a consortium led by an eligible Primary Applicant.

c. In addition to the requirements set out in sections 3.1(a) and (b) above, as a condition of eligibility, Primary Applicants must:
- Be a legal entity.
- Be authorized to operate or carry on business in the province of Ontario.
- Have a physical presence and be actively operating or carrying on business in the province of Ontario.
- Comply with all legislation applicable to the Primary Applicant and its operations or business, including the Human Rights Code, the *Occupational Health and Safety Act, 1990* (OHSA), the *Employment Standards Act, 2000* (ESA), and the *Building Opportunities in the Skilled Trades Act, 2021* (BOSTA).

- o For greater certainty, the receipt of SDF funding does not mean that any SDF-funded programming constitutes a pre-apprenticeship program approved by the Minister within the meaning of clause 1(1)(c) of O. Reg. 877/21 under the BOSTA.
- Maintain and declare appropriate Workplace Safety and Insurance Board (WSIB) or private disability insurance coverage, as applicable, to cover the cost of work-related injuries/occupational diseases, as well as adequate third-party general liability insurance as advised by its insurance broker.
- Where the applicant intends to deliver Level 1 apprenticeship in-class training, the applicant must be, or must partner with, a Minister-approved Training Delivery Agent (TDA).
  - o Applicants must also ensure that TDAs delivering Level 1 apprenticeship in-class training as part of the project comply with the following requirements:
    - TDAs must deliver all components of the Level 1 apprenticeship in-class training curriculum for the trade as approved by Skilled Trades Ontario (STO).
    - TDAs must also issue all participants who successfully complete Level 1 in-class training the same documentation of Level 1 completion (e.g., transcript) given to registered apprentices who successfully complete the same training.
    - Note: these requirements apply to all Level 1 apprenticeship in-class training delivered through SDF projects, including where some or all participants are not registered apprentices at the time the training is delivered.

Entities that are not eligible to be a Primary Applicant may be eligible to participate in an application or project as a participating and/or contributing partner(s). Entities can submit more than one application; however, each project and the project activities must be substantively different in each application. Entities may partner together on multiple projects. In cases where the same applicant(s) submit multiple applications, the applicant(s) must demonstrate how the project and project activities in each application differ in each of the following categories:

- objectives,
- target sectors,
- participant groups, and

- focus areas.

3.2 Target Sectors or Occupations

As a criterion of eligibility, proposed projects must focus on in-demand and key growth **target sectors and occupations.** Projects must address occupational and regional demands that are responsive to employers' needs or align with core government priorities.

The Ontario Labour Market Information website is a relevant tool to determine in-demand and growth occupations and sectors. It provides information on the top jobs currently in demand and those forecasted to remain in demand for the next five years in a particular region.

Target sectors and occupations include, but are not limited to, the following:

- Skilled trades, other high-skilled occupations, technical occupations, and other occupations in high demand (e.g., heavy-duty equipment technician, technology-related jobs, etc.).
- Sectors that align with other core government priorities such as:
  - Manufacturing and advanced manufacturing.
  - In-demand health care occupations.
  - Infrastructure projects essential for both sustainability and fostering economic growth.

3.3 Participant Groups and Their Eligibility

All project proposals must support one or more participant groups within the parameters outlined below.

Participant Groups	Interpretation
Projects may support client types such as: • Employers, sponsors of apprentices. (See below for additional requirements).	The following definitions are used for the purpose of the SDF program: • **Women:** individuals who self-identify with the female gender. This includes women in skilled trades where they are traditionally underrepresented.

- Registered apprentices in skilled trades prescribed in Ontario under the BOSTA.
- Job seekers[2], incumbent workers, underemployed workers and workers at risk of job displacement, including certain individuals with a 900 series SIN (denotes temporary authority to work in Canada) and an open work permit awaiting their official documents for permanent residency. Includes protected persons, persons who graduated as an international student from a designated learning institution and have been granted a work permit under the Post-Graduation Work Permit Program, and those in Canada on a temporary work permit who have been granted Permanent Resident status.

- **Youth:** individuals who are between the ages of 15 and 29 when they apply to be a participant in the SDF project. Includes full-time students and summer student programs.
- **Justice-involved individuals:** individuals involved with the criminal justice system (i.e., have a criminal background).
- **People with Disabilities:** individuals who self-identify as a person with a disability, including a disability as defined in subsection 10 (1) of the Ontario Human Rights Code.[3]
- **Indigenous Peoples:** individuals who self-identify as belonging to one of three distinct groups in Canada: First Nations, Inuit or Métis.
- **Racialized Persons:** often used to stand in for "visible minorities," this

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[2] Job seekers could include individuals on social assistance seeking employment.

[3] Section 10 (1) of the **Ontario Human Rights Code** defines "disability" as follows:

- any degree of physical disability, infirmity, malformation or disfigurement that is caused by bodily injury, birth defect or illness and, without limiting the generality of the foregoing, includes diabetes mellitus, epilepsy, a brain injury, any degree of paralysis, amputation, lack of physical co-ordination, blindness or visual impediment, deafness or hearing impediment, muteness or speech impediment, or physical reliance on a guide dog or other animal or on a wheelchair or other remedial appliance or device;
- a condition of mental impairment or a developmental disability;
- a learning disability, or a dysfunction in one or more of the processes involved in understanding or using symbols or spoken language;
- a mental disorder; or,
- an injury or disability for which benefits were claimed or received under the insurance plan established under the **Workplace Safety and Insurance Act, 1997**.

• Workers and job seekers who face higher barriers of entry or are traditionally underrepresented in the skilled trades, including women, youth, justice-involved individuals, people with disabilities (PwD), Indigenous peoples, racialized persons, immigrants, and members of at-risk communities. Participants must reside in Ontario. Apprentices who reside outside of Ontario but who work and are registered as an apprentice in Ontario may be supported.	more fluid term acknowledges that race is a social construction that can change over time and place. It can be applied to people who have racial meanings attributed to them as a group in ways that negatively impact their social, political, and economic life. • **Immigrants:** refers to individuals who are, or who have ever been, a landed immigrant or permanent resident. Such individuals have been granted the right to live in Canada permanently by immigration authorities. Immigrants who have obtained Canadian citizenship by naturalization are included in this group. • **Underemployed:** refers to individuals who work in jobs that do not align with their education, skills, and experience.

3.3.1 Additional Eligibility Criteria for Participants

a. **Employers and Sponsors of Apprentices**

In respect of SDF-funded projects that will provide support to employers and/or sponsors of apprentices (as participants), each of those employers and sponsors must:

• Be a legal entity.
• Be authorized to operate or carry-on business in the province of Ontario.
• Have a physical presence and be actively operating or carrying on business in the province of Ontario.
• Comply with all legislation applicable to the employer or sponsor and its operations or business, including the Human Rights Code, the OHSA, the ESA, and the BOSTA.

- Maintain and declare appropriate WSIB or private disability insurance coverage, as applicable, to cover the cost of work-related injuries/occupational diseases, as well as adequate third-party general liability insurance as advised by its insurance broker.
- TDAs must be approved by the Minister of Labour, Immigration, Training and Skills Development to deliver apprenticeship in-class training in the trade(s) associated with the project.
- Apprenticeship employers and sponsors must, as applicable, meet the requirements under BOSTA to: (1) only employ or engage an individual to practice in a compulsory trade if the individual is authorized to do so; and (2) meet apprenticeship-to-journeyperson ratio requirements.

b. Individuals Awaiting Permanent Residence Status

Individuals with a 900-series Social Insurance Number (SIN)[4] and an open work permit who have received preliminary approval from the federal government and are waiting for their permanent residence status to be finalized are eligible for participation in SDF-funded projects, depending on the Primary Applicant and other eligibility and suitability requirements relevant to the project.

These individuals include:

- "Protected persons" as defined in the *Immigration and Refugee Protection Act* (Canada); and
- Those in Canada on an open work permit who have received a letter or document from Immigration, Refugees and Citizenship Canada confirming that they meet the eligibility requirements for permanent residence (i.e., approval in principle).

Proof of status is required. Individuals with a 900-series SIN and a work permit awaiting their official documents for permanent residency will usually have a letter to this effect and must present that documentation to support their change in status. Individuals must present their new SIN (replacing the 900-series SIN) once they receive it.

c. Refugee Claimants

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[4] Social Insurance Numbers (SINs) are issued by the federal government. The following guidance is based on the federal government's current practice of issuing SINs. SINs that begin with a "9" are issued to individuals who are not Canadian citizens or permanent residents but require a SIN for employment purposes. If the federal government changes its practices, this guidance may need to be revised.

Refugee claimants with a 900-series SIN and an open work permit are also eligible to participate in an SDF-funded project, depending on the Primary Applicant and other eligibility and suitability requirements relevant to the project.

Refugee claimants with an open work permit must present their work permit as well as any updates to the status of their work permit.

d. Visitors under Emergency Travel measures

Visitors who traveled to Canada under emergency travel measures enacted by the federal government, including the Canada-Ukraine Authorization for Emergency Travel (CUAET) measure, and who have a 900-series SIN and an open work permit are eligible for participation in an SDF-funded project, depending on the Primary Applicant and other eligibility and suitability requirements relevant to the project.

Visitors under Emergency Travel measures who do not have a 900-series SIN and an open work permit are **not** eligible for SDF.

e. Temporary Foreign Workers with an employer-specific work permit

Temporary foreign workers with a 900-series SIN are **not** eligible for participation in SDF-funded projects.

f. International Students

International students with a 900-series SIN **are** eligible for participation in SDF-funded projects. Under this policy, in order to hire international students, organizations must:

- Be aware of the timing restrictions in federal guidelines applicable to international students and be able to adapt to those guidelines in the event of change, and

- Ensure each international student has a work permit or documentation that would allow them to work in Ontario after they have been trained.

Applicants should be aware that work permits or authorizations to work are issued by Immigration, Refugees and Citizenship Canada (IRCC). Please refer to the IRCC website for further details.

3.4 SDF Focus Areas

Although the SDF will support a broad range of projects, submitted applications will be required to demonstrate how funding will support one or more of the following focus areas as a criterion of eligibility:

- Engage in researching/prototyping and developing innovative approaches and solutions to:
  - modernize skills development training that meets local employer and labour market needs (i.e., information, curriculum, tools, equipment, resources, service delivery models),
  - offer business models/solutions to support current and future labour market/workforce challenges and needs.

- Ensure a sustainable and resilient workforce by **enhancing employers' capacity** to:
  - adapt their businesses to the changing labour market, including the digitally driven economy, with additional support and tools,
  - develop partnership-driven approaches to their workforce development needs,
  - deliver employer-led training to recruit, train and retrain workers that are targeted to be laid-off,
  - enhance future focused skills development through experiential learning, workplace (on-the-job) training, and job placements to improve workers' employment outcomes and meet workforce needs now and in future, and
  - attract, develop, and retain underrepresented groups in their workforce.

- Stimulate economic growth by unlocking the full economic potential of **skilled trades and apprenticeship** to:
  - increase access to Ontario's apprenticeship system by encouraging greater employer participation and improving supports for apprentices on-the-job, and in-class through the provision of wraparound supports, up-to-date training equipment and increased capacity,
  - enhance the apprentice experience either on-the-job or in-class to increase apprentice registrations, progress, and completions and
  - increase capacity of apprentice sponsors to attract, develop and retain under-represented groups in the workforce.

- Build and sustain **partnerships** that identify and address **shared sectoral workforce development needs and labour market needs** in emerging and growth sectors in Ontario.

3.5 Eligible Activities

Funding provided under the SDF is intended to support the activities outlined in this section. Other activities that may not strictly fall under the activities listed below, but that are designed to serve the focus areas outlined in this document, may be considered by the ministry.

Skilled Trades and Apprenticeship Projects

- In-class training support for apprentices, including accessibility accommodations, tutoring, exam preparation supports, mentorship programs, and wraparound supports. Supports must be tied to improving apprentice progression completion, and the obtaining of the highest level of certification available in a particular trade.[5]

- On-the-job supports to help trainers (e.g., journeypersons) provide the training apprentices need to successfully progress through their training and work towards the highest certification available in the relevant trade (e.g., train-the-trainer, supports to improve employment outcomes, mentorship programs).

- Wrap-around support for apprentices while training on-the-job that are tied to positive employment outcomes (e.g., recruitment and retention strategies; mentorship; end-of-training supports).

- Research, development and piloting of new and innovative approaches to delivering classes that are on the 2024-25 apprenticeship in-class training seat plan (e.g., e-learning delivery[6], online assessment, virtual simulation, other alternative methods to block release).

- Purchase of equipment or supplies that support resilient skills building or enhance in-class training.

    - Approved TDAs must deliver apprenticeship in-class training in the trade(s) associated with the project in the fiscal year in which the project is taking place.

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[5] Funding may not be used to enhance in-class per diem rates or be used to fund additional classes not approved under the TDA's In-Class Enhancement Fund transfer payment agreement.

[6] Ministry approval is needed to deliver apprenticeship in-class training 100% online after March 31, 2022. For information about how to obtain ministry approval please see the TDA Approval Guideline and Application Form on the ministry's Employment Ontario Partners' Gateway website.

Employer/Organization Focused

- Recruitment, training and retention of workers and employers.

- Employer-led skills development (employability, essential and technical skills) through experiential learning, work-integrated learning, job trials, job placements, and mentorship.

- Projects that serve under-represented groups (e.g., PwD, racialized groups, immigrants, francophones, etc.).

- Partnership building and management.

Research/Prototyping and Development Projects

- Reports that identify innovative approaches and solutions to modernize skills development and build a resilient workforce.

- Innovative business models and workforce development solutions to support labour market challenges.

- Production of new or improved tools, models, software, e-learning modules, online assessments, virtual simulations, curricula and/or resources.

- Partnership building and management.

Workforce Development (Full-Service/Light Touch).[7]

- Removing barriers in education and skills training opportunities, improving employer access, and developing talent, or retaining and retraining the existing workforce.

- Providing tools, equipment and wrap-around support to job seekers, learners and workers (e.g., employability services, job placement, on-the-job mentorship to support positive employment outcomes).

- Developing virtual employment and training services.

- Building capacity of training providers and supporting organizations.

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[7]**Full-Service Projects**: Training/re-skilling/ upskilling provided to job seekers; comprehensive level of assistance required. Participants obtain skills in one or multiple key domains, and placements could be available as part of their training. Activities could include experiential learning and job placements. Could include projects that provide direct financial assistance to individuals to select, arrange and pay for training.

Light Touch Projects: Short duration of training (i.e., 2 days) - minimal level of service or assistance required by participants. Provides structured and individualized supports to assist individuals based on their existing level of skills and qualifications, in conducting informed job search activities. Activities include individual or group assistance with information on local labour market, career planning, education and training programs, resume writing; interview and job preparation, occupational requirements, job finding clubs, job placements, etc. Activities focus on finding work. Individualized case management services and counselling supports that monitor individuals' progression in implementing their action plan and/or provide specialized assessments and professional diagnostic services related to physical, social, intellectual, and/or psychological traits that may have an impact on their ability to participate in training or to occupy specific jobs. This can also include job retention activities and job placement assistance.

- Engaging and developing collaborations with employers and other key workforce development partners.

The SDF is not intended to duplicate funding for expenses or activities funded by other sources. This includes provincial or federal funds and/or fees charged to project participants to participate in or benefit from project activities approved and funded by the SDF. However, SDF can be used to **supplement funding for additional costs of the project not covered by other public sources**, in which case the Primary Applicant would need to clearly indicate which costs would be paid for using SDF funds, and the proposed incremental/enhanced activities.

The SDF is intended to be responsive and nimble with a focus on quickly identifying and processing innovative market-driven projects that will address the identified focus areas and deliver outcomes within the project timeframes.

Before applying, applicants are encouraged to consider whether their projects are better suited to existing Employment Ontario programs or if they could be funded by other provincial or federal programs.

All project activities eligible for funding must be carried out during the 12-month term of the TPA. Recipients must provide financial and audits reports if and as requested by the ministry.

Project applicants that have been funded in Round 1, Round 2, Round 3 and/or Round 4 of SDF may apply for SDF funding, but the Primary Applicant must demonstrate how their project continues to meet the focus area and objectives of the program and will also be required to demonstrate that it meets all of the eligibility requirements described in these guidelines. Further, projects that have received rounds of SDF funding previously will need to show how ongoing funding will not reinforce dependency on government subsidization and that the project is sustainable without government funding. No eligibility requirements are deemed to be waived by the ministry by virtue of a Primary Applicant's (or project's) participation in prior rounds of SDF funding.

3.6 Eligible Expenses

Applications must include a budget which clearly itemizes expenses planned for the aforementioned activities (see section 3.5). A list of possible eligible expenses, subject to the ministry's review and approval, is included below.

All goods and services must be acquired through a fair and transparent process that promotes best value for money.

SDF funds cannot be used for expenses or activities already being funded by other sources, including the provincial or federal government or fees charged to participants.

SDF funding can be used under the following categories, **without duplication,** as set out in the TPA:

> 3.6.1 Operating Costs
> 3.6.2 Administrative Costs
> 3.6.3 Asset Costs (i.e., Capital Costs; for example, Equipment and Vehicle)
> 3.6.4 Financial Support to Employers and Participants
> 3.6.5 Travel Costs

3.6.1 Operating Costs:

Operating costs are on-going, day-to-day expenses that are directly related to carrying out the project. This also includes supplies that are consumed or expended in the delivery of the project.

- Staffing: Salary of staff members who conduct training, planned consulting or sub-contracting services used to directly deliver the project.
- Marketing: marketing and promotion of program or distribution.
- Direct materials and consumables used in the delivery of the project by participants (supplies and equipment, parts, safety equipment for participants, cleaning supplies, etc.). These are generally physical items which have a useful expected life of less than one year, or do not meet a materiality threshold for individual tracking.
- Maintenance and support of equipment directly used to deliver the project.
- Materials and office supplies (e.g., pens, pencils, paper, envelopes, cleaning supplies, subscriptions).
- Operational printing contracted externally (e.g., business cards, letterhead, ad hoc unanticipated print jobs, minor updates and/or printing of organizational or program brochures).
- Other non-participant-based costs (e.g., water where public water is not safe for drinking, staff and volunteer recognition (gift cards and honoraria are ineligible costs and cannot be used for recognition)).
- A pro-rated portion of costs to lease real estate or the appropriate percentage of utility costs associated with the direct delivery of training. If the property is

financed, a pro-rated portion of financing/interest costs only may be considered as operating costs and not capital repayment.

- Audits: Projects over a threshold (see section 4.4) will require an audit by an external auditor. Audit reports are required as part of the final report submission. A maximum of $5,000 may be received for a third-party to conduct an audit of the project.
- Employability services and supports:
  o Overall skills upgrading, which promotes a resilient worker, such as leadership, teamwork, communication, and community engagement.
  o Job search, matching, placement, etc. services and support, including job retention and career advancement, that show direct placement outcomes.

3.6.2 Administrative costs:

Administrative costs are limited to a maximum of 15% of the operating costs of the SDF project. Administrative costs are indirect expenditures necessary for operating an organization but not directly associated with the delivery of the Project.

Administrative costs should be attributed to the project on a basis that is proportional to the respective size of the organization and the size and/or effort of the project:

- For example, pro-rated portions of:
  o Salaries/benefits of the Executive Director, IT, and/or financial staff that work for the entire organization but may spend a portion of their time dedicated to administrative functions that support the project.
  o Legal/accounting fees:
    o Legal and accounting fees.
    o Bank fees, postage and courier fees; basic telephone fees and monthly internet fees.
    o Contracting (if not contracted specifically to support the project), bookkeeping, janitorial services, Information Technology (IT) used indirectly in project delivery, equipment maintenance services, security, translator, training fees, consultant fees, printing contracts fees.
    o Indirect/support equipment repair and maintenance (includes photocopy meter charges).
    o IT maintenance.
    o Lease or finance/interest costs attributed to administrative functions.

3.6.3 Asset Costs (e.g., Equipment and Vehicles):

Asset costs are one-time expenditures on moveable assets that have an expected useful life of more than one year.

If a Recipient plans to dispose of assets acquired with SDF funding, they must submit a plan for disposition of assets subject to ministry approval.

Asset costs may include costs for:

- New training equipment (e.g., computer hardware, printers)
- Software licenses, such as for digital platforms.
- Equipment required to facilitate training for participants with disabilities.
- Vehicle and mobile unit purchases and/or modifications, provided the following requirements are met:
    o The vehicle or mobile unit is directly related to delivery of services to participants.
    o The Recipient provides the ministry at least three quotes for procurement of the vehicle or mobile unit, or three quotes for modification where the service is purchased. Purchase or modification can only occur upon review of the quotes and approval by the ministry. Evidence of quotations and the expected purchase cost must be provided with the application.
    o Mobile unit owners must purchase relevant vehicle insurance that includes coverage of the modifications. Documentation must be provided to confirm this coverage.
    o Relevant vehicle insurance should include all perils coverage as per statutory requirements in Ontario, including Ontario Automobile Policy (OAP1) Owner's Policy Sections 3 and 4, auto liability for a limit not less than $2,000,000 (two million) per occurrence including Accident Benefits and, where applicable, Section 7, Loss or Damage Coverage.
    o The ministry will not fund modification of existing mobile units within 5 years of a government (federal or provincial) funded modification, unless the need is verified and rationale provided, with proper documentation e.g., installation of new equipment that has only come out in the last few years. Details and rationale must be provided as part of the application.
    o New vehicle or mobile unit purchase may not be eligible if a project is not sustainable and unlikely to continue beyond the term of the TPA.
    o Lease costs for mobile units are eligible expenses, if applicable.
    o Plan for disposition of the asset.

3.6.4 Financial Support to Employers and Participants:

Financial support (i.e., wraparound supports, wage subsidies, training stipends) can be provided to eligible participants and employers. The types of supports provided depends on the individual's level of need, as determined by the Recipient and in accordance with the terms and conditions of the TPA, where applicable.

A Primary Applicant requesting funding for wraparound supports, wage subsidies or training stipends must provide a documented rationale (i.e., business case) in their application for ministry approval, indicating which participants or employers would be eligible for financial supports and identifying how these supports would contribute to employment outcomes. Wraparound supports, wage subsidies and training stipends must be paid out during the project, in accordance with the terms and conditions of the TPA. The Primary Applicant is also required to submit to the ministry a proposed payment structure detailing the timing of financial support payments.

If financial support is provided to a participant, the Recipient must ensure that the participant's file contains:

- the reason for the financial support;

- the amount of financial support;

- validation of the participant's income; and

- a signature from an authorized representative of the Recipient.

The ministry reserves the right to audit all records associated with financial support payments. Additional requirements may be set out in the TPA.

Recipients cannot claim the same expense over multiple categories for SDF funding (e.g., the same expense cannot be claimed as both a wraparound support and a wage subsidy) and all financial support must be disbursed during the project, in accordance with the terms and conditions of the TPA.

In addition, the Recipient will be required to sign an attestation confirming that there has been no overlap, duplication or double-dipping for any eligible expenses claimed under SDF (e.g., expenses claimed as operational costs cannot be claimed as financial support to participants) or claimed under any other funding sources, including from the provincial or federal government (e.g., expenses covered under the Ontario Student Assistance Program cannot be claimed under SDF).

For projects delivered by a consortium, the Recipient will be required to sign an attestation confirming that all partners responsible for providing financial supports to participants will follow the payment structure requirements in the TPA.

Wraparound Supports

Wraparound supports are a set of supports or services provided to a participant, that are necessary to support their participation in the project and depend on the individual's level of need, as determined by the Recipient.

Wraparound supports are intended to enable project participation for training or job placement participants. Funding for costs must be directly related to the project. Examples include costs incurred for the following:

- Pre-screening candidates (i.e., readiness and/or employability assessment).

- Provision of health and safety-related equipment and other trade-specific Personal Protective Equipment (PPE).

- In-class wraparound supports.

- Apprentice on-the-job training expenses

- Train-the-trainer resources to support journeypersons who train or wish to train apprentices.

- Development of training materials/resources.

- Disability-related services and accommodation supports.

- Training tuition fees and expenses, including licensing fees for participant access to pre-existing online training websites.

- Other training provider fees and materials required to complete skills training (e.g., training clothing, tools, equipment), temporary relocation and/or temporary housing expenses of the participant to access the learning centre/training facility.

- Childcare/dependent care expenses.

- Transportation (e.g., travel or commuting expenses for the participant to access a learning centre/training facility or place of employment).

Wage Subsidies

Wage subsidies are financial supports to assist an employer in covering a portion of wages paid during training or placement. Job placement wage subsidies can be funded for employers who require financial assistance to train or hire individuals who are eligible participants, in accordance with section 3.3, for an SDF project. A Recipient may claim costs of up to 50% of wages paid, up to a maximum of $5,000 per participant or job placement. Wage subsidies may not be used as replacement for tuition fees.

Training Stipends

Training stipends are a form of taxable benefits or allowance payments that are paid out to the participants in a training program – that are not earmarked to a particular wraparound support.

- Training stipends can be paid up to a maximum of $5,000 per training participant.
- Training stipends can be paid to the unemployed who are non-EI eligible clients.
- Training stipends can be paid to those who are employed, but who will be unpaid for the duration of their participation in training, if that training is required to reskill or upskill an employee (eg., on a new piece of equipment), promotes job retention or is linked to higher wages.
- To be eligible for SDF funding, the Recipient cannot provide an individual participant on an SDF project with a training stipend and wage subsidy at the same time from SDF.
- Expenses claimed for training stipends must not overlap with any other expenses claimed under SDF, such as wraparound supports and other participant funding (e.g., the training stipend must not be used for equipment already funded under SDF).

3.6.5 Travel costs:

Some travel (also referred to as transportation) costs can be eligible for funding under SDF, as part of the cost of doing business and to support participants, if applicable. Travel costs should be tracked separately from Operating Costs, Administrative Costs and Financial Supports to Employers and Participants. The following outlines the parameters:

Travel Costs as part of Business Expenses
- Travel costs can include staff and volunteer transportation costs required for the delivery of project activities (e.g., single-use bus fare).
- Travel costs cannot be included as part of salaries/wages (i.e., cost of employment, cost of travelling to and from work).

- Monthly parking fees and transit/bus passes are not eligible for funding under the SDF program.

Transportation Costs for Participants

For participants who require mobility support to participate in an SDF project, travel costs can include travel for participants and support persons.

- Transportation costs are available for participants to attend in-person training and/or in-person job shadowing/job placements.
- The ministry has the flexibility of approving, on an application-by-application basis, additional travel support costs for participants with disabilities and staff support persons requiring special accommodations.

Travel costs for apprentices attending full-time, in-class training are ineligible for funding under the SDF, if they are already covered by another program. [8]

3.7 Ineligible Expenses

- TDAs may not request funds for expenses that are already covered in their Apprenticeship In-Class Enhancement Fund TPA.
- Activities that are already funded through other sources of funding such as Federal or other Provincial programs.
- Regular or ordinary costs related to other activities carried out by the organization.
- Insurance.
- Costs related to the development of the SDF application or the TPA, including negotiations, as well as any associated documents.
- Salaries of executives or senior management who do not directly contribute to project delivery.
- Out-of-province travel costs for project staff or participants or expenditures associated with activities or operations performed outside of Ontario.
- Costs for any materials, tools, techniques, approaches, developments, or salaries used in training, work placements or other project components that have already been reimbursed by government funding to the applicant.
- Reimbursement for airfare purchased with personal frequent flyer points programs.

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[8] Apprentices attending in-class training can apply to the Apprentice Development Benefit for support with travel expenses. Therefore, expenses for travel to the training center are ineligible under SDF. See section 5.3 for additional travel directives.

- Reimbursement of any airfare above the lowest fare available when purchasing a ticket unless otherwise approved by the ministry.
- Fines and penalties.
- Interest charges on debts related to financing the Project.
- Losses on other projects or contracts.
- Any costs, including taxes, for which the Recipient has received, will receive or is eligible to receive a rebate, credit, or refund.
- Costs for annual general meetings, budget deficits, membership fees, fundraising activities, tournaments, conferences, committee and political meetings, receptions, parties, festivals, or religious activities.
- Fees to attend or organize conferences, trade shows or summits.
- Contingency or unexplained miscellaneous costs.
- Harmonized Sales Tax (HST) for tax exempted organizations.
- Apprenticeship In-Class Training beyond Level 1.
- Any expenses that are not permitted and/or are inconsistent with the terms and conditions of the TPA and any other applicable directive, policies, or guidelines of the Government of Ontario.

# 4. Application and Selection Processes

4.1 Application Process

Beginning July 29, 2024 organizations can begin to apply for funding through Transfer Payment Ontario (TPON). Applications will be accepted for ministry review on a continuous basis until October 04, 2024, at 11:59 p.m. Eastern Standard Time (EST). Applicants are encouraged to apply and submit their completed applications early.

TPON is the Government of Ontario's online application system for grant funding. It is important for applicants to understand the steps for registering with TPON prior to application submission.

- Information on registering and accessing TPON is available at: https://www.ontario.ca/page/get-funding-ontario-government

- TPON website: https://www.app.grants.gov.on.ca/tpon

Primary Applicants must register with TPON to access the SDF Training Stream 2024-25 application form. Once registered and logged in to TPON, applicants must click on the Service Provider Connect icon to locate the SDF application (see screenshot below).
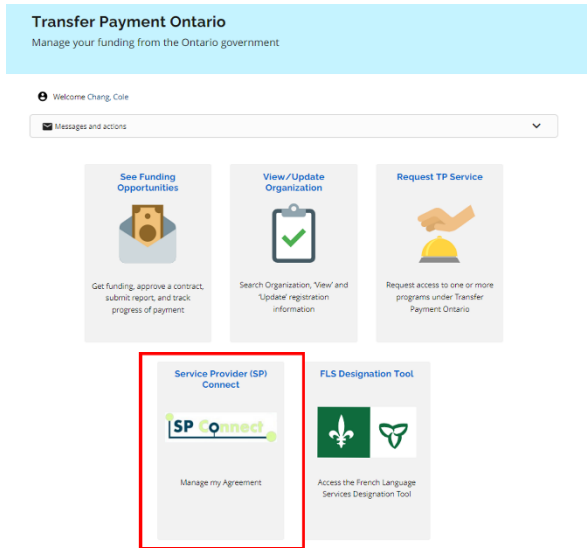
All Primary Applicants must have up to date contact information in TPON, to ensure that decisions and communications from the ministry are received. For information on how to update organization or contact information, please refer to: Get funding from the Ontario government | ontario.ca.

Questions or issues related to setting up a TPON account or updating contacts in TPON:

- Contact the TPON Customer Service Line at (416) 325-6691 or 1-855-216-3090, Monday to Friday from 8:30 a.m. to 5:00 p.m. Eastern Standard Time, or by email at TPONCC@ontario.ca.

Questions or issues related to completing the application in Service Provider Connect (SP-Connect):

- Contact the ministry at SkillsDevelopmentFund@ontario.ca.
- Contact the Employment Ontario Contact Centre at 416-326-5636 or 1-800-387-5656.

Projects will be prioritized based on the strength of their application.

The ministry, at its sole discretion, will conduct ongoing assessments of applications as they are received.

The ministry is not bound to enter into a TPA with any applicant (even eligible applicants). Applications will be assessed using the evaluation criteria set out in section 4.2. The ministry reserves the right to recommend any, all or no applications for selection, whether the application(s) meets or scores highly on the evaluation criteria or not and retains full and absolute discretion to select any eligible application for funding. If an eligible application is selected for funding, the funds will be distributed conditional upon and subject to a TPA executed by the Province and the selected Primary Applicant.

The ministry, at its discretion, may host virtual information sessions with interested applicants during the application period to address questions or provide clarification/updates.

For questions regarding the SDF program, submission process, or any other inquiries please contact SkillsDevelopmentFund@ontario.ca

4.2 Selection Criteria

The ministry will review submitted applications and assess eligible applications against the program criteria outlined below. The ministry will have sole authority to decide which eligible projects are funded.

Eligible applications will be evaluated against the following criteria:

Criteria	Weighting	Interpretation
Demonstrated Innovation	7%	The application clearly indicates how the project is innovative. If applying for a project that primarily supports PwD, the application clearly indicates how the project will support PwD in an innovative

Criteria	Weighting	Interpretation
		way that does not duplicate programs funded by other sources.
SDF Objective(s) and Focus Area(s)	20%	The application clearly indicates how it is aligned with at least one of the objectives and one of the focus areas of the SDF. The application clearly defines outcomes of the project, including how it plans to meet Key Performance Indicators (KPI) (see section 4.3: Performance Management, below), provide value for money, and achieve expected impacts, including benefits to the project target group.
In-demand Sector (e.g., skilled trades, housing, health care, manufacturing, etc.)	5%	The application clearly supports an in-demand sector and includes compelling rationale with labour market evidence. Projects supporting increasing the housing supply may be prioritized (e.g., construction labour, skilled trades relevant to building residential housing).
Project Need	20%	The application clearly defines the issue that it is seeking to address through the project (e.g., sector, region and/or participant group impacted by the issue are identified); and includes compelling rationale with adequate labour market evidence to support the need for the intervention being proposed.

Criteria	Weighting	Interpretation
		The application clearly describes how the activities of the project will lead to the intended changes and desired outcomes. The application clearly identifies the KPIs that will be used to evaluate the effectiveness of the project (see section 4.3). The application includes the proponent's projections and a plan for the collection and analysis of the data that will be used for reporting on achievement of KPIs.
Organizational Capacity	13%	The application demonstrates how the Primary Applicant's strengths and experience (as well as those of any applicable partners), are suited to design, implement, deliver, and monitor the proposed project and expenditures, while meeting SDF program integrity and accountability requirements. Applications that include a sustainability plan to continue without SDF funding or secure alternative sources of funding for the project after the SDF funding period ends will be prioritized.
Project Delivery Plan	20%	The application provides a detailed delivery plan that includes a feasible timeline for all key activities, identifies who is responsible for tasks, and clearly articulates risks and reasonable mitigation strategies.

Criteria	Weighting	Interpretation
Budget	10%	The application includes reasonable costs and provides a clear and detailed breakdown of all expenditures, and of any funding from other sources, if applicable. The application demonstrates effective use of resources to achieve project objectives within the established timeframe. The application demonstrates the attribution methodology of administrative costs. Administrative costs do not exceed 15% of operating costs for the proposed project, not including amounts that are funded by other sources.
Cost Sharing	5%	The application demonstrates the ability to make cost sharing or other in-kind contributions toward the project. This must be reflected in the project budget.

Notification of Successful Applicants:

Applicants deemed selected by the ministry for SDF funding ("selected applicants") will be notified by the ministry to finalize project activities and a budget to be set out in a TPA. The ministry retains the absolute right to not enter into a TPA with any selected applicant, notwithstanding any negotiations.

4.3 Performance Measurement

Recipients will be required to report to the ministry on the KPI targets set out in their TPAs.

The applicable performance measures and targets will be determined based on the project, and will be selected from the following tables:

Table 1: Participant Performance Measurements

Performance Measures in Application/TPA	Target
Total # of participants	#
# of participants who self-identified as a member of an underrepresented group (e.g., women, youth, persons with disabilities, racialized persons, justice-involved individuals, Indigenous peoples)	#
From the total # of participants, the # of participants who are jobseekers	#
From the total # of participants, the # of participants who are incumbent workers	#
From the total # of participants, the # of participants in employer focused projects	#
From the total # of participants, the # of participants in workforce development skilled trades and apprenticeship projects	#
From the total # of participants, the # of participants in workforce development full-service projects	#
From the total # of participants, the # of participants in workforce development light-touch projects	#

Table 2: Persons with Disabilities/Vulnerable Groups Performance Measurements

Performance Measures in Application/TPA	Target
# of participants who self-identified as Persons with Disabilities and/or members of vulnerable groups (e.g., Justice involved individuals, Indigenous, Black, and other racialized groups, Francophone, Newcomers including Ukrainians under the Emergency Act, 2SLGBTQ+)	#

Table 3: Partnerships Performance Measurements

Performance Measures in Application/TPA	Target
# of partners actively engaged in the project (if applicable)	#
# of employers/industry associations involved in the project (if applicable)	#
# of education and training providers involved in the project (if applicable)	#

Table 4: Research/Prototyping and Development Projects Performance Measurements

Performance Measures in Application/TPA	Target
# of end-user beneficiaries in research/prototyping and development projects	#
# of participants engaged or interviewed	#
# of collaborators involved in research/prototyping and development projects	#
# of draft or final reports summarizing findings from research/prototyping and development projects	#
# of innovative tools, models or processes developed	#

Table 5: Workforce Development Performance Measurements

Performance Measures in Application/TPA	Target
# of participants who completed experiential learning opportunities	#
# of participants who completed skills training opportunities	#
# of participants who indicated improved industry and local labour market employability skills as a result of training	#
# of participant incumbent workers who attained a promotion or advancement	#

Performance Measures in Application/TPA	Target
# of participant incumbent workers who completed upskilling or reskilling opportunities	#
# of participants that self-identified as persons with disabilities and/or vulnerable groups who completed training (minimum provincial standard is 65%)	Minimum Provincial Standard of 65%
# of participants that self-identified as persons with disabilities and/or vulnerable groups who achieved employment after completion of SDF initiative (minimum provincial standard is 65%)	Minimum Provincial Standard of 65%
# of participants, excluding participants who self-identified as persons with disabilities and/or vulnerable groups, who completed the program	Minimum Provincial Standard of 80%
# of participants, excluding participants who self-identified as persons with disabilities and/or members of vulnerable groups, who achieved employment after completion of SDF initiative	Minimum Provincial Standard of 80%
# of participants who upskilled (if applicable)	#

Table 6: Apprenticeship Performance Measurement

Performance Measures in Application/TPA	Target
From the total # of participants, the # of participants who are apprentices	#
# of trainers (e.g., journeypersons) trained to support apprentices	#
# of new apprenticeship registrations	#
# of apprentices who successfully completed Level 1 in-class training (if applicable)	#
# of participants who completed apprenticeship	#

Applicants must identify KPIs they will use to evaluate the effectiveness of their project in their application. The application must clearly identify the applicant's performance targets, and plan for the collection, analysis and reporting of the data. A minimum participant program completion target of 80% is required for workforce development projects and of the participants who completed the program/services, 80% of those participants must achieve employment. Projects primarily supporting people with

disabilities or vulnerable groups may request different program completion and employment targets. The applicant may add project-specific indicators and targets, in addition to the above-required ministry-provided metrics. The ministry may include additional indicators and targets in the TPA at its discretion.

In addition to reporting on KPIs, Recipients may be asked to submit demographic information about participants (e.g., age, education). Recipients will be provided with reporting templates and the timeline for reporting will be detailed in the TPA (see section 4.4).

4.3.1 Third-Party Evaluation

The ministry may hire a third-party consultant to evaluate funded projects during or after their implementation. The TPA between the Primary Applicant/Recipient and ministry will include this as a part of monitoring activities (see section 4.4).

4.4 Performance Management

Recipients will be required to adhere to the reporting requirements set out in their TPA. Failure to do so may result in funds being held back or recovered.

The project activity and financial reports received by the ministry are used to monitor progress on key aspects of the TPAs. The ministry maintains an open dialogue with Recipients throughout the term of the TPA in support of continuous progress towards achievement of project goals and outcomes.

The ministry may request reports in addition to those described in this section at its discretion. Applicants selected for funding will be required to collect and provide to the ministry participants' name, address and SIN number for full-service projects.

1. Activity Reports

Recipients must provide activity reports to the ministry on the progress achieved in carrying out the project and expenditures incurred in relation to the expected outcomes, milestones, KPIs, project timeline and budget set out in the TPA. It is expected that Recipients, where feasible, will provide status updates on project-specified and ministry-specified program evaluation metrics. Recipients will be provided templates for these

reports and instructions on the frequency in which they are to be completed and returned to their local ministry office.

2. Final Report

Recipients must submit a final report outlining the achievement of project objectives and any other content that may be required as set out in the TPA.

3. Financial Reports

Financial monitoring verifies that funds are spent in accordance with the terms and conditions of the TPA and that bookkeeping systems and accounting practices are in place to manage and control funds. Project expenditures will be monitored via Estimate of Expenditure Reports (EERs) and Statement of Revenue and Expenditure Reports (SRERs). Recipients must use the provided templates for these reports and comply with instructions on the frequency of submission to the ministry. Unspent funds must be explained and, upon demand, must be returned to the ministry. Funds that remain unspent or unaccounted for will be pursued by the ministry for collection.

4. Auditor's Report

To ensure that funding awarded is used judiciously, Recipients who receive funding of $150,000 or more from the ministry will be required to engage the services of a third-party auditor to assess the financial statements of the project and submit a report to the ministry. The report is typically due to the ministry sixty (60) calendar days after the completion of project activities, as outlined in the TPA. Applicants should include the cost of this audit in their budget application.

Monitoring by the Province

The Province may monitor the project and the Recipient's compliance with its TPA through various means. The monitoring activities will depend on the degree of associated risk, and may include:

- Verification of documents and other forms prior to processing.

- Direct contact with the selected applicant and/or participants, other stakeholders, and partners.

- On-site/virtual visits to assess progress and achievement of activity milestones.

- On-site/virtual visits to verify expenditures.
- Utilizing program/project data for informed decision-making.

- Requesting additional reports as specified from time to time.

The ministry, or a third party hired by the ministry, may contact Recipients/participants/stakeholders to obtain information about their experiences in the project for the purposes of monitoring or evaluating the progress or success of the project or of SDF generally.

4.5 Intellectual Property

All materials created using funding from the SDF must abide by Creative Commons Attribution-NoDerivs 4.0 International License (CC BY-ND 4.0). Under this license, intellectual property remains with its creator, but others are free to copy and redistribute the material for any purpose, even commercially.

The ministry will consider other Creative Commons licences if the selected applicants can provide a clear and compelling rationale.

4.6 Confidentiality

Please note the ministry is subject to the *Freedom of Information and Protection of Privacy Act* ("FIPPA"). FIPPA is a provincial statute which regulates the collection, use and disclosure of personal information and access to information in the custody and/or control of governmental institutions.

Part II of FIPPA provides for a right of access to records in the custody or under the control of the ministry, subject to certain exemptions. Notably, section 17 of FIPPA provides a limited exemption for third party information that reveals a trade secret or scientific, commercial, technical, financial or labour relations information supplied in confidence where disclosure of the information could reasonably be expected to result in certain harms. Any trade secret or any scientific, technical, commercial, financial, or labour relations information submitted to the ministry in confidence should be clearly marked by the Primary Applicant/Recipient.

The ministry will provide notice before granting access to a record that might contain information referred to in section 17 of FIPPA so that the affected party may make representations to the ministry concerning disclosure. Should the ministry decide not to disclose certain records, the requester has the right to appeal that decision to the office

of the Information and Privacy Commissioner, who will make a decision on the disclosure of the record.

Applicants are advised that the names and addresses of transfer payment recipients, the amount awarded, and the purpose for which the transfer payment is awarded is information the ministry makes available to the public.

5. Funding Allocation

SDF funding is discretionary. It will be paid to the Recipient during the term of the TPA, subject to the terms and conditions of the TPA (including compliance with same by the Recipient).

There are no maximum or minimum funding amounts. However, SDF is intended to have a significant impact, so the ministry will first consider applications with a project budget greater than $150,000. The ministry may choose to fund all or only a portion of the Primary Applicant's proposed project.

Although not required, Primary Applicants are strongly encouraged to seek additional funding sources to support their application and their proposed project for the duration of their TPA term and beyond.

The ministry reserves the right to adjust the amount of funding the selected applicant may receive, which may differ from the funding requested.

5.1 Funding Allocation, Distribution Terms & Conditions

All funding will be conditional on the Recipient satisfying the terms and conditions for funding contained in their TPA.

Funding will be paid to Recipients in instalments according to the payment schedule set out in the TPA. Payments may be subject to a holdback of 15% of the funding amount, which will be distributed to the Recipient following project completion and fulfillment of all obligations under the TPA, including reporting requirements.

The Province is not obligated to pay any funds until the Recipient provides proof of the requisite insurance. The Province is also not obligated to pay any instalments of funds until it is satisfied with the progress of the project. The Province may adjust the amount of funds it provides to a Recipient based on the Province's assessment of information the Recipient provides in its reports; and may recover funds if the Recipient breaches

any term of the TPA, including failing to carry out the project or use the funds in accordance with the terms and conditions in the TPA.

The TPA will set out the terms and conditions governing the project and the payment of the funds, and will include the following:

- Recipient responsibilities.

- Project budget.

- Project management requirements.

- Monitoring and reporting requirements.

- Accountability requirements, audits and financial reporting obligations.

- Milestones and performance measures.

- Mode and schedule of payments.

- Process for contract termination; and

- Other performance and accountability provisions identified by the province and agreed upon with the Recipient.

Recipients will be expected to:

- Be accountable to the province for all funds and performance of project components under the TPA.

- Manage their project plan to meet financial and accountability reporting requirements and deliverables, in accordance with the Transfer Payment Agreement.

- Engage and manage relationships with any third-party service providers (if applicable).

- Coordinate project partners and all activities.

- Be responsible for performance measurement of the project, including ensuring data quality, establishing targets and aggregating information collected from recipients.

- Meet reporting requirements (both activity and financial) outlined in the TPA.

- Maintain records pertaining to the project to support ministry-funded evaluation of the program.

- Collect and store any and all personal information collected during and for the purposes of the Project in compliance with all contractual requirements and Applicable Laws

- Submit regular reporting that will be used by the ministry to assess the progress of implementation, as well as compliance with relevant directives and requirements under the Transfer Payment Agreement.

- Put in effect and maintain for the duration of their TPA term, all necessary insurances for the initiative, including Commercial General Liability Insurance to an inclusive limit of not less than two million dollars ($2,000,000) per occurrence, and provide the ministry with a copy of their Certificate of Insurance. Coverage under two million dollars ($2,000,000) may be considered based on prior approval by Ontario.

- Coordinate and provide to the ministry an independent audit of the project if required by the ministry, including project revenues and expenditures.

- Adhere to all other terms and conditions of the TPA.

If requested before the Transfer Payment Agreement is finalized, a selected applicant must provide a copy of its latest financial statements (including audited financial statements if available) and those of significant partners who contribute at least 50% of the proportion of the project cost that is not covered by the ministry's grant.

Prior to signing a Transfer Payment Agreement, the ministry, in its sole and absolute discretion, may undertake additional due diligence review of the selected applicant, including by requesting that the selected applicant submit any additional information related to the application that the ministry requests.

5.2 Proposed Project Budget

Primary Applicants are required to submit a detailed budget with their application. The budget must include all costs directly related to delivering the project, including any proposed cash and in-kind contributions being contributed to the project by the Primary Applicant and/or their partners, where applicable.

The project budget must clearly identify where applicable:

- All costs directly related to delivering the project, within market value.

- Any goods or services supplied by non-arm's length parties must be valued at their established arm's-length equivalent market value.

- Participant contribution for cost-sharing purposes.

- All costs including in-kind contributions (e.g., donated space, time donated by instructors, etc.).

- Funding received from partnerships and/or collaborations; and

- Other funding sources, including federal and provincial government funding.

Applicants are not to take any action and must not incur any costs related to their project prior to entering into a TPA with the ministry and the project commencement date. The Government of Ontario will not reimburse any cost incurred by any applicant related to their proposed SDF project should the application not be approved, or if the selected applicant fails to enter into a TPA with the ministry for any reason.

5.3 Procurement, Travel & Hospitality Requirements

For Recipients that are considered Broader Public Sector organizations as designated under the _Broader Public Sector Accountability Act, 2010_, two directives regarding procurement practices and expenses are in effect: the Broader Public Sector Procurement Directive and the Broader Public Sector Expenses Directive.

All Recipients are also required to comply with the terms and conditions of the TPA with respect to procurement, travel and hospitality.

Some Recipients may be subjected to the **Public Sector Salary Disclosure Act, 1996** which will require the disclosure of names, positions, salaries and taxable benefits of employees who were paid a salary of $100,000 or more.

- Recipients receiving at least $1 million in funding from the Government of Ontario in a year are subject to this legislation.
- Recipients receiving between $120,000 and $1 million are subject to this legislation if the funding they receive from the Government of Ontario for the year is 10 percent or more of their gross revenues for the year.
- Recipients receiving less than $120,000 from the Government of Ontario for the year are not required to disclose unless they are one of the entities explicitly covered by the Act.

Please review the background and frequently asked questions on public sector salary disclosure for more information.