

POLICY

When funding has been provided by Alberta Learning and the funding has not been used for the purpose for which the grant funds were provided, then the surplus money shall be returned to the Provincial Treasurer or provided to another operator of an approved Early Childhood Services program.

GUIDELINES

1. An ECS operator may choose to go into recess for not more than one year before making a final decision on ceasing or resuming operations.
2. The final decision to cease operations must have been reached by the members of the society governing the ECS operations, at a general meeting called within the provision of the society's by-laws. This decision should be communicated to the respective Zone Services Branch as soon as possible.
3. If an ECS operator decides not to continue providing a program, the operator may determine if another ECS operator in the community is willing to take over the program. An ECS program must be operated by the new operator.

If another operator in the community agrees to take over the program and to accept the transfer of assets, liabilities, including any operating and capital surpluses, that new operator must acknowledge receipt of this transfer and agree not to claim a capital grant. Written acknowledgement of an agreement to these terms must be sent to School Finance, Alberta Learning.

4. If an ECS operator does not transfer its assets to another operator, Alberta Learning will determine the amount of surplus from operations to be returned to the Provincial Treasurer. In addition, if a capital grant has been obtained within the final three years of operation, a portion of this grant must be returned.

PROCEDURES

1. Sign an agreement/contract for the transfer of the ECS operator's assets and liabilities to another operator. A letter of agreement signed by both parties is sufficient.
2. Prepare an Audited Financial Statement (AFS) for the final year of operation or portion thereof and submit this statement to Alberta Learning.
3. Prepare an inventory schedule of assets transferred on the date operation ceased and have it signed by officials of the ECS operator accepting the transfer.

PROCEDURES (CONTD.)

4. Notify Alberta Consumer and Corporate Affairs, Corporate Registry if the society will be dissolved on the specified date.
5. In the year an operator decided to cease operations, fees paid by parents in that year may be returned to the parents from the operating surplus of that year.
6. When the ECS operator ceases operation but does not transfer the assets and liabilities to another operator, the final AFS will be reviewed and the accumulated surplus, if any, will be prorated by Alberta Learning. The portion of the surplus to be returned to Alberta Learning will be calculated on the ratio of Alberta Learning's contribution to the total revenue of the ECS program over the final three years of operation.
7. The disposition of the operating surplus and capital assets not returned to Alberta Learning should be authorized at a meeting of the society members.