



## Guidance for Using Early Learning Sustainability Grant Funds for Staff Salaries and Bonuses

The Early Learning Sustainability Grant (ELSG) supports the sustainability of early childhood education programs. Recipients may use the funds for various purposes, including staff salaries and bonuses, following these guidelines:

### 1. Staff Bonuses

- Maximum Amount: \$2,000 per staff member, and \$3,000 for owner. Can only be used once per staff recipient for the grant cycle, individual bonuses can be broken into multiple portions throughout grant cycle.
- Tax Requirements: Both employer and employee taxes apply. The bonus must be processed through a payroll system such as ADP, QuickBooks, Paylocity, Gusto, etc.
- Documentation: Provide a copy of the payroll distribution of the grant. Upload a payroll report to the ELSG link. Additionally, grantees must submit a copy of their business's bonus policy/rationale for bonus.

### 2. Staff Salaries

- Maximum Support: Up to the quarterly ELSG award of \$7,200, per disbursement. Upload a payroll report or a copy of the paycheck to the ELSG link.
- Tax Requirements: Subject to employer and employee tax withholdings. Salaries must be processed through a payroll system such as ADP, QuickBooks, Paylocity, Gusto, etc.
- Documentation: Provide a copy of the payroll distribution of the grant. Upload a payroll report or a copy of the paycheck to the ELSG link.
- Reasons for using grant dollars towards may include (but are not limited to): paying new hire wages, supplementing current employee salaries to meet market rates and requirements for Pay Equity, shifting current staff from part-time to full-time, or extending hours of work (adjusting care times).

### 3. Staff Employee Status Verification-For all staff other than Owner/Operator

- Required Documentation: Confirm employee status through a Pay Equity report or OSSE license documentation.

### 4. General Guidelines

- All expenses must comply with grant guidelines and be reasonable, necessary, and allowable.
- Documentation must be detailed, accurate, and transparent.
- Non-compliance may result in disqualification from future funding.
- Interested grantees should discuss their rationale and reasons for using grant dollars towards pay with the ELSG contact person.

- Grantees are encouraged to utilize our free technical assistance consultant for support developing or modifying your business budget so that you can learn what you will need to sustain your level of staff salaries to support ongoing sustainability beyond the grant term.

If you have any questions about using ELSG funds for staff salaries and bonuses, please contact your ELSG program coordinator for guidance.