

Budgeting FAQ's

1. What is budgeting?

Budgeting is a process or exercise where a sum of money is divided into groups. For example, based on your funding, you may allocate funds towards line items such as wages, supplies or program expenses.

2. Who should be included in the budgeting process?

Depending on your organizational structure, the budgeting process should include the Health Director; band Administrator/Manager, and sub-departments such as Nursing, Brighter Futures, and AHSOR etc.

3. Should we have a budget policy and procedure?

A financial Policy is a great idea, as it will assist in guiding you by using acceptable financial practices within your organization. For example When to use purchase orders and for what purpose.

4. What can we do when our community experiences unexpected expenses?

There may be occasions when unexpected expenses may occur. A good place to start is to contact your Funding Advisor. Your Funding Advisor will work with you to find solutions within the parameters of your Funding Arrangement and they will explore other options within FNHA to support your unexpected needs.

5. Can we use funds from one program to cover expenses from another program?

"It depends." If you are in a Set Agreement, you may spend allocations only within the set funding parameter of your agreement; if you have a Flex Agreement, you can move funds within only the sub-areas of your agreement. If you have a Block Agreement, you may have more flexibility to support other programs. It is important to review your Agreement to determine what can be moved as some Block agreements also have Set Funding components within the agreement.

6. How much of the budget can be used for administration expenses? What can administration expenses include?

In most situations, FNHA will allow **up to** 10% of the total agreement amount for administration costs. This amount is intended to serve as a general guide. Administration expenses must be real expenditures and can only be accounted for and funded once. Duplicate reimbursement must be avoided. If a percentage of funding is reimbursed for administration, no administration type cost can be claimed separately. Allocation may be used to cover costs such as utilities, photocopying, audit and financial costs.

7. If we are in deficit at the end of the year will FNHA reimburse?

Unfortunately, FNHA is not in a position to reimburse deficits. The exception is Medical travel. FNHA will reimburse Medical Transportation deficits if the costs fall within the eligible expenses for MT.

8. Our community receives funds from other sources, should we include those with the budget?

When planning your budget take into consideration all revenue your community / organization receives. This will help maximize the use of funds to ensure they are utilized in the best way possible. When combining funds from multiple sources ensure you understand the parameters of each funding source including the reporting.

9. Do we have to submit our budget to FNHA and/or inform FNHA if there is a change in our budget?

The budget your community or organization creates does not need to be submitted to FNHA and you do not need to inform FNHA of any changes in your budget.

10. How often should we review our budget and financials?

It is good practice to review your financials every month to ensure you are on track in relation to your budget. The difference between the budget and actual spending can tell you to take corrective measures to reduce potential deficits. A deficit can affect your community/organization's cash flow and if there is overspending you may have to revisit the work plan and budget.

11. If we have a surplus at year-end does FNHA take it back?

For Flexible and Block funding, if at the end of a Fiscal Year, other than the final Fiscal Year, the Recipient has not expended all Flexible or Block funding after delivering all Health Programs and Services, the Recipient may retain the unspent amount for expenditure in subsequent Fiscal Years, if the expenditures are in accordance with the terms of Agreement. For Set funding, if at the end of the Fiscal Year, other than the final Fiscal Year, the Recipient has not expended all Set funding after delivering all Health Programs and Services, the Recipient may request to retain any or all of the unspent amount for expenditure in a subsequent Fiscal Year by submitting a Surplus Reinvestment Plan and FNHA accepts the plan by way of written notice to the Recipient.

12. Does FNHA have a template for budgeting?

FNHA does not currently have budgeting templates. The First Nations Financial Management Board has made some sample budgets available publicly that can be used:

<https://fnfmb.com/en/tools-and-templates>.

13. How does your community health and wellness plan relate to your budget? Your Community Health and Wellness Plan will help guide your annual budget. It is good practice for the

implementation of your activities throughout the year to be based upon your key priorities of the Community Health and Wellness Plan.