

Overview of Set, Fixed and Flexible Funding Approaches

Funding Types (Contribution)	Set	Fixed	Flexible
a. Description	Where a set contribution is subject to performance conditions specified in the funding agreement.	Where a contribution can be based on a predetermined annual estimate of the funding required by the recipient to achieve the planned objectives.	Where a two years or more relationship with the recipient is required to achieve the planned objectives.
b. Core Requirements for <u>all</u> contribution Funding Approaches	<ul style="list-style-type: none"> • Payment subject to an appropriation by Parliament • Recovery of funds expended on ineligible expenditures • Progress and/or results reporting 	<ul style="list-style-type: none"> • Minister's right to undertake a recipient audit • Minister's right of access to documents and premises • Default management and termination provisions 	
c. Recipient Eligibility/Capacity	<ul style="list-style-type: none"> - Aboriginal Recipient - No capacity requirement 	<ul style="list-style-type: none"> - Aboriginal Recipient - No capacity requirement 	<ul style="list-style-type: none"> - Aboriginal Recipient - Willing to enter a minimum two year agreement - Demonstrated capacity - to manage the increased flexibility provided in terms of carry over and redirection latitude
During Agreement Term			
d. Carry over funds to next fiscal period?	<p>No carry forward into the next fiscal year and no retention of unexpended funds.</p>	<p>a. Carry over of Unexpended Funding (Results Not Yet Fully Achieved): Yes, in some instances where results have not been fully achieved as of March 31. At the very minimum, 80-85% of the delivery requirements have been met. The intent is to support the ability of the recipient to carry on with planned work where the annual estimate of the funding required has been provided, progress is underway, but results are not fully achieved.</p> <p>Although a formal plan for Unexpended Funding is not required (because the original work is simply being continued) recipients are required to provide the following:</p> <ul style="list-style-type: none"> - notification to the department with sufficient information including an <u>updated</u> version of the project plan or work plan report on unexpended funding at the end of every fiscal year as part of the regular financial and program reporting requirements <p>b. Carry over of Unexpended Funding (Results Achieved and Savings Realized): Recipients can retain unexpended funding provided that 100% of agreed upon delivery requirements have been met. When agreed upon results have been fully achieved, recipients are required to provide the following:</p> <ul style="list-style-type: none"> - If unexpended funding is <u>not</u> to be used for purposes consistent with the corresponding fixed program objectives, the recipient must provide a Plan for Unexpended Funding to 	<p>Yes, but only to further achieve results towards program objectives.</p> <p>Carry over latitude is limited to the <u>earlier</u> of the end of the program, service or activity and the expiry or termination of the Agreement.</p> <p>However in cases where:</p> <p>a. Earlier date is the originally planned program, service or activity end date, but planned work is not yet done: In instances where <u>the earlier date</u> is the program, service or activity end date included in the agreement but the planned work has not been completed, the department can consider amending the end date of the program, service or activity to avoid the requirement to return the unexpended funding with <u>valid</u> justification.</p> <p>b. Earlier date is multi-year agreement end date, but planned work not yet done: In instances where Flexible Funding is provided for a new multi-year program, service or activity in the midst of a multi-year agreement but the planned end date of the activity extends beyond the agreement term (for example, funding provided for the first year of a three year program, service or activity in the</p>

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		<p>the department in writing, no later than 120 days after the end of the agreement/program or conclusion of the project.</p> <ul style="list-style-type: none"> - The Plan for Unexpended Funding must sufficiently outline the intended purposes for which the surplus will be used and outline the activities to be undertaken with the funding, and this plan must be agreed to in writing by the department before the funding can be used. - The unexpended funding must be spent during the following fiscal year. - The unexpended funding can, <u>subject to any program-specific parameters or restrictions</u> included in program guidance documents, be used to support the objectives of any departmental program or to support the activities identified in a departmentally approved plan such as a Management Action Plan (or Management Development Plan or Remedial Management Plan). - Unexpended funding cannot be used to cover deficits in programs funded by other government departments. 	<p>final year of a recipient's multi-year agreement), the department can consider extending the length of the funding agreement, or "roll over" the new program, service or activity and the relevant annual funding into the recipient's subsequent multi-year agreement with <u>valid</u> justification.</p> <p>There is no requirement for the recipient to submit a Plan for Unexpended Funding when using funding in the <u>subsequent</u> year because use of such funds is limited to the same program objectives (i.e., just continuing to complete work, or very similar work, already identified upon in the original plan). However, although a Plan for Unexpended Funding is not required, the recipient <u>must</u> track and account for the unexpended funds and report on results.</p>
e. Redirect funds?	Yes, but only on a risk managed basis (and subject to any program guidance limitations)		Yes, among the cost categories established in the agreement (and subject to any program guidance limitations)
At the end of the Agreement			
f. Retain unexpended funds?	No	Yes, in accordance with latitude noted above in 4 and for use in the next fiscal period only	<p>No, however some exceptions related to multi-year projects that extend beyond the multi-year agreement term.</p> <p>Carry over latitude in Flexible Funding is limited to the <u>earlier of</u> the end of the program, service or activity and the expiry or termination of the Agreement. However, in some instances where <u>earlier of</u> date is the project date or multi-year agreement end date, but work is not yet complete, there may be a possibility for amendment.</p>
g. Criteria for recovery of Funds	Funding is unspent or spent on ineligible items	A plan is not provided/not approved where required, or Funding is not spent within timeline, or is spent on ineligible items	Funding is unspent at the end of project or agreement or is spent on ineligible items