

## **Budgeting Throughout the Fiscal Year**

### **Estimated Times for Completion:**

Time frame: Minimum quarterly in July, October, January, and March

Best practice is to review all engagement activities quarterly at minimum. Review and completion timeframes depend on the total number of engagement activities and the number of completed engagement activities. The amount of time it takes to complete quarterly reviews will decrease over time.

### **Description:**

Engagement activities are the heart of Facility Engagement work, though each organization approaches them differently.

### **Key points:**

- An MSA can only allocate uncommitted budget to engagement activities without exceeding the available allocation.
- Engagement activities and their budgets should be reviewed at least quarterly to determine if activities and spending are on track, to free up unused funds, and to adjust where necessary before new engagement activities are considered.

### **Steps**

1. Review current engagement activity progress. Regular review is essential to ensure activities remain on track in terms of progress and financial spending.
  - a. Review engagement activity spending in FEMS, flagging those engagement activities whose spending is irregular (e.g. more/less than anticipated or stalled).
  - b. Follow up with the engagement activity lead for an update. This process can be as formal or as informal as it suits the MSA, but it should cover three key areas.
    - i. Are the budget and work on track?
      1. Yes - proceed as normal
      2. No - Overspending? Underspending? What needs to happen to remedy the situation?
    - ii. Have barriers and/or risks been identified?
    - iii. Are there any changes to the planned activity?
  - c. If an engagement activity is to be closed, finalize it in FEMS and evaluate it. Update SEAT. Flag unused funds for reallocation in FEMS.

2. Make decisions and approve budget adjustments. Having up to date engagement activities and financial information is essential.
  - a. MSA leadership reviews the updated engagement activities and overall budget. They may decide to make budget adjustments (increase/decrease) and decisions (close, defer, decline request) on engagement activities. If the overall annual budget is projected to exceed the MSA's total available allocation, the MSA executive/working group must review the overall budget, including all engagement activities and make decisions (e.g. adjust engagement activity budget allocation, reassign funds, curb spending.)
  - b. Based on MSA executive/working group decisions, re-allocate unused funds and update FEMS.
  
3. Engagement activity intake. Accept new engagement activity proposals if operational capacity and uncommitted budgets are available.
  - a. Vet proposals based on alignment with MOU objectives, funding guidelines, MSA strategic priorities, feasibility, uncommitted budget, and health authority priorities (as appropriate). Consider adjusting the project budget and/or timing if the engagement activity is predicted to extend past March 31st. Accept/reject proposals.
  - b. The MSA administrator confirms expectations, responsibilities, and timelines with the engagement activity lead.
  - c. Set up approved engagement activities in FEMS and allocate budget for the current fiscal year.

## **FAQs**

### **1. How do I ensure activity claims are submitted in a timely manner?**

Encourage a one-month deadline for engagement activity claims to be submitted. This will ensure sound financial management and timely access to funding gates for the MSA.

Year-end deadline notification reminders should be sent with adequate notice. Be sure to allow for the accrual period in April.

**NOTE:** Doctors of BC policy currently allows 3 months max to submit sessional claims and expenses.

### **2. What is the recommended frequency of activity intake?**

It is recommended that the intake of new engagement activities be considered on a quarterly basis. This practice allows MSAs to reallocate the uncommitted budget of any completed engagement activities and optimize financial control of their overall budget. When considering multi-year projects, determining the budget that should be allocated in each fiscal year is essential. Remember: Any activities that continue into future fiscal years will also be funded through money in those future years.

### **3. What process should be taken for engagement activities that take multiple years to complete?**

If an engagement activity is expected to last beyond the current fiscal year, allocate only what will be required up to March 31st into FEMS, and note the remaining funding required in a separate document. If the carryover of an engagement activity's budget is unexpected, the MSA should develop a process to receive and vet carryover requests to the next fiscal year and budget. Ideally, any carryover issues are identified by the third quarter of the current fiscal year.

### **4. What are the implications of assigning an engagement activity budget across multiple fiscal years?**

Portions of an engagement activity budget that carry over to future years will come from future years' total available allocations. In other words, future years' funding will be pre-allocated, which reduces the amount of funds available for new activities in these years.

## **5. What are the recommended steps to consider when engagement activities are over budget or not moving forward?**

- What outcomes/milestones have been achieved so far (as stated in the project intake form) with respect to the entire project (progress of the project)?
- Look at the rationale for the cost overruns to see if they are reasonable.
- How much more must be allocated to the engagement activity, and is there any uncommitted budget available?
- If the activity does not appear to be progressing, consider closing it or deferring it to next year to free up funds for other activities in this fiscal year.

## **6. What process should be taken if the overall budget has over-allocated funds?**

Over-allocation should be avoided by following annual budgets set out at the beginning of a fiscal year. Strategies to accommodate any over-allocation should be discussed in leadership meetings. Actions could include freeing up funds, not accepting engagement activity proposals, and cancelling planned engagement activities.

## **7. When should the budget be reported to the executives?**

It is recommended that budget updates be reported monthly to the MSA executive and quarterly to the working group/advisory council. Ideally, quarterly meetings are held at the end of the month following quarter-end (e.g., June quarter-end meeting held in mid- or end-of-July) to allow for updated budgets and for MSA leadership to review materials and intake proposals in advance of the meeting.

## **8. Reviewing my engagement activities and budget sounds like it will take a lot of my time. Why should we review quarterly, if at all?**

The MSA executive is responsible for knowing how the Facility Engagement funding is being spent. Over time, the time it takes to review engagement activities and budget will decrease substantially.