

Budgeting and Financial Planning Guidelines

Tools:

- AR submission package template (updated yearly)
- Financial statements (check with your financial administrator)
- Previous MSA work plan and budget
- FE Resources
 - [Work Plan Template](#)
 - [Engagement Activity Intake Template](#)
 - [Budget Planning Template](#)

Estimated Times for Completion:

Timeframe: January - March

- MSA develops strategic priorities, work plan, budget
- The duration of this task depends on your MSA's processes. If you would like support developing or optimizing your planning processes, contact your EP.
- Update FEMS: 3-4 hours

Description:

Setting strategic priorities, a work plan, and a budget are key planning steps to ensure MSAs can maximize their total available budget allocation. These tools will help MSAs achieve their annual engagement goals, are financially and logistically organized throughout the year, and stay within their total available allocation.

Steps:

1. MSA develops and approves strategic priorities for the next fiscal year. A formal long-term strategic planning session is recommended every 3-5 years. The results of this can be used to inform annual strategic priorities. You may also wish to refer to previous annual strategic priorities.
2. MSA develops a work plan and budget based on strategic priorities for the next fiscal year. To ensure there is enough funding to support your activities, try to develop the work plan and budget simultaneously. See the examples provided.
 - i) Use your updated budget from the previous financial year/FEMS to see how much was spent on internal operating expenses, governance, and working group/committee costs. Identify engagement activities being carried over into the new financial year. Insert these into the draft budget for next year.
 - ii) Allocate a contingency of approximately 5% of your total available budget; consider assigning this as a separate engagement activity or building into each engagement activity in FEMS and in your draft budget.
 - iii) Calculate the remaining budget that can be allocated for new engagement activities based on your total available allocation. Review the MOU, funding guidelines, and health authority strategic priorities to guide your planning. Define and allocate budget to next year's engagement activities. Insert into the draft budget.
 - iv) Develop a work plan based on strategic priorities.
3. MSA leadership approves the work plan and budget for the next fiscal year. Based on the approved budget, update FEMS for the new fiscal year and allocate funds.

FAQ

1. What if an engagement activity will take more than one fiscal year?
 - MSAs can keep a separate record (in Excel) for future fiscal year budgets for long-term projects. When considering multi-year projects, determining the amount of money that should be allocated in each fiscal year is essential. Remember: Any projects that continue into future fiscal years will also be funded through money in those future years.
2. How will I know how long an engagement activity will take?
 - Seek advice from the project lead to determine how long their engagement activity will take. The project intake proposal form includes this key question for budgeting purposes. Completion timeframes for engagement activities may change from what was initially proposed; a quarterly review of activity progress is recommended.
3. How much should I budget for an engagement activity?
 - Seek advice from the project lead to determine the budget. The project intake proposal form includes this key question for budgeting purposes. You may also wish to search the SEAT database for a similar engagement activity and reach out to the site to see what was budgeted for. Key costs to consider are sessional, catering, meeting space, accommodations, travel, supplies, and contingency funding.
4. What amount should I budget for contingency funding?
 - Consider any extenuating circumstances that may apply and set approximately 5% of your total available allocation aside for contingency purposes.
5. Why should we have a contingency fund?
 - A contingency fund is cash reserved to address unforeseen circumstances or losses. Its role is to improve the MSA's financial stability by developing a safety net that can be used to fill emergency needs or new high-priority issues as they emerge.