

Q&A – FE Budget Webinar March 3 and 4, 2020

1. Q: Are there reporting and accounting requirements that differ between incorporated and non-incorporated MSAs?

A: Incorporated MSAs must complete and file their own returns with the Canada Revenue Agency and file quarterly and annual reports with FEMS support. The CRA filing requirements for unincorporated sites are completed by FESC and filed by Enkel.

2. Q: How would you go about determining how much contingency funds you should have?

A: As a general rule, 10% contingency included in each activity budget, or as a separate activity, is a reasonable amount. The contingency is used to mitigate uncertainty in the budgeted amount to ensure there is sufficient budget in the event of unexpected overages.

3. Q How is contingency activities entered in FEMS?

A: Contingency amounts can be entered in one of two ways: Either enter an amount in each activity as part of the activity budget, or create a separate “Contingency” activity that totals 10% (or an appropriate percentage) of the budget for all FE activities.

4. Q: Will ENKEL fees remain the same for 2021?

A: There are no planned changes for the ENKEL fees for 2021.

5. Q: Just wondering if we should also in the budget have a line for potential in kind or confirmed cost share? We're a small unincorporated site. And we do have the opportunity to cost share with either Divisions or even the Health Authority or whomever. Should that be reflected in the budget

A: While in-kind amounts or shared costs reflect the actual cost of an activity, FEMS is not set up to accept credit amounts. For this reason, only costs that will be paid by the MSA should be included in the budget and entered into FEMS.

6. Q: As PMs, we often work on specific projects, which is not reflected in the project budget but rather internal operating. So the project budget may not be a true reflection of the cost. Any way to reflect that?

A: This is a challenge! There are two ways to handle this:

- If you keep a timesheet, indicate how much time is spent doing project support work. Even though this will be kept as an Internal Operating Expense, it does give a bit of ‘shape’ to what number really means.
- You could always charge any time you spend supporting a project to the project itself as a Supplier through FEMS. This takes a bit more time, but would give a better indication of true project costs.

- 7. Q: I have reservations about allowing engagement activities to go past fiscal year: 1. no guaranteed FE funding 2. not able to change budget to reflect changing priorities.**

A: Facility Engagement funds can be assumed to continue during the duration of the current PMA. Whether an activity spans two or more fiscal years is a decision of the Executive. Adjustments to the budget can be made at any time and is encouraged at least on a quarterly basis to ensure prudent financial management. For activities that span fiscal years, it is important to adjust the current budget to reflect actual costs and account for the remaining budget in the next fiscal year.

- 8. Q: Can you comment on what should fit into internal operating expenses and what fills in under governance?**

A: Internal Operating Expenses include all the costs of the organization that don't have to do with Engagement Activities. In our MSA, these are things like contractor costs, stamps, bank fees, lawyer fees, accounting fees, etc. Other MSAs might have rent and Enkel costs.

Governance costs are those incurred by the Executive (President, Vice President, Secretary, Treasurer, etc.) acting in those roles. This would include team meetings, working group meetings, AGMs, etc. The [FE website](#) has guidance around these costs.

Director Compensation – Application of the BC Societies Act:

http://www.facilityengagement.ca/sites/default/files/Society%20Director%20Compensation%20Societies%20Act_July%202017.pdf

- 9. Q: Are you suggesting to adjust the allocated funding in FEMS on a quarterly basis?**

A: Yes, it is good practice to regularly adjust your activity budgets to ensure you remain within your overall budget for the year. Without adjusting, you may overspend if some activities go over budget and not be prepared to adjust subsequent activities. A Financial Management Workbook has been developed that outlines the process you can take to help manage MSA finances.

- 10. Q: To confirm, the PM is required to contact Doctors of BC to trigger new funding?**

A: A member of the MSA is responsible for requesting a funding transfer (PM, Treasurer, Etc.) An email requesting the next gate must be sent to engagement@doctorsofbc.ca. Funds are not automatically transferred and it is the MSAs responsibility to request a gate. MSAs must forward a copy of their balance sheet showing the amount in the Deferred Revenue Account to confirm funding criteria is met.

- 11. Q: What do you recommend is the process for investigating untoward numbers? Who is investigating?**

A: The MSA Executive has a fiduciary responsibility to the MSA. While not all members have the financial skills to investigate financial activity, it is their responsibility to engage appropriate professionals if needed. For unincorporated MSAs, Enkel is able to assist by

providing financial reports requested. FEMS support can also assist with any data required from FEMS.

12. Q: In the future will the spreadsheets be built into FEMS - i.e. taking the numbers from what we have already entered into FEMS rather than double entering for clarity?

A: While there will be FEMS changes coming, this isn't in the plans for the near future.

13. Q: Will the budgeting tools utilized in today's presentation be made immediately available? Or will these only be circulated via the upcoming presentation in April?

A: These are now available on the FE Website which can be accessed here:

Budget Tool - Blank Template - [click here to download](#)

Budget Tool - Example - [click here to download](#)

14. Q: Can you talk about claims coming in after fiscal year end?

A: The year-end accrual period for claims is 60 days. Any claim entered into FEMS by May 30 with an activity date prior to April 1 will be backdated and accrued to the previous fiscal year (old budget). Claims entered during the same period with activity dates April 1 or later will be accrued to the new fiscal year. Essentially, if there are activities that take place prior to April 1 and you want the expense to be incurred in the 2019/20 budget, the claim must be submitted within 60 days of the year end. The system will automatically backdate the claim and apply it to the old budget. Any claims after the 60-day accrual period will be incurred in the new fiscal year, regardless of the activity date.

15. Does that mean current projects don't need to close March 31?

Correct, engagement activities that span multiple years can remain open in FEMS past March 31st. When considering multi-year projects, determining the amount of money that should be allocated in each fiscal year is essential. Budgets will have to reflect the money spent or expected to be spent by activity that takes place in each of the fiscal years. At the end of the fiscal year, the budget can be adjusted to reflect actual spend and the remaining budget moved to the next fiscal year.

16. Q: Should all activities be completed and closed down on 31st March and then re-entered on 1st April?

A: Sites can choose how to handle these situations:

- Option 1: Adjust budget allocation to cover any claims submitted for March 31st and earlier; close EA when all claims have been paid out. Also create a new EA for the new fiscal year and allocate budget.

- Option 2: Keep EA open and add new year's allocation to the existing EA.