

PLANNING FOR NEXT FISCAL YEAR

QUARTERLY REVIEW

YEAR END EVALUATION

Timeline

January to March

July

October

January

April

March

Process

MSA develops and approves strategic priorities for the next fiscal year

MSA develops work plan for the next fiscal year

MSA leadership approves work plan and budget for the next fiscal year

Review engagement activity progress

Make decisions and approve budget adjustments

Engagement activity intake

Confirm engagement activity status (Closed or Carry over to the next fiscal year)

Review annual spend to inform allocations for next fiscal year

Financial Management Tasks

Forecast expenses for next fiscal year; develop budget

Update budget for each engagement activity, overall budget as needed

Update budget

Update budget for each engagement activities, overall budget as needed

FEMS

Based on approved budget, update FEMS for new fiscal year and allocate funds

Update FEMS based on decisions made

Update FEMS based on decisions made

Update FEMS based on decisions made

BEGINNING OF FISCAL YEAR

END OF FISCAL YEAR

BACK TO PLANNING FOR NEXT FISCAL YEAR

PLANNING FOR NEXT FISCAL YEAR

TOOLS

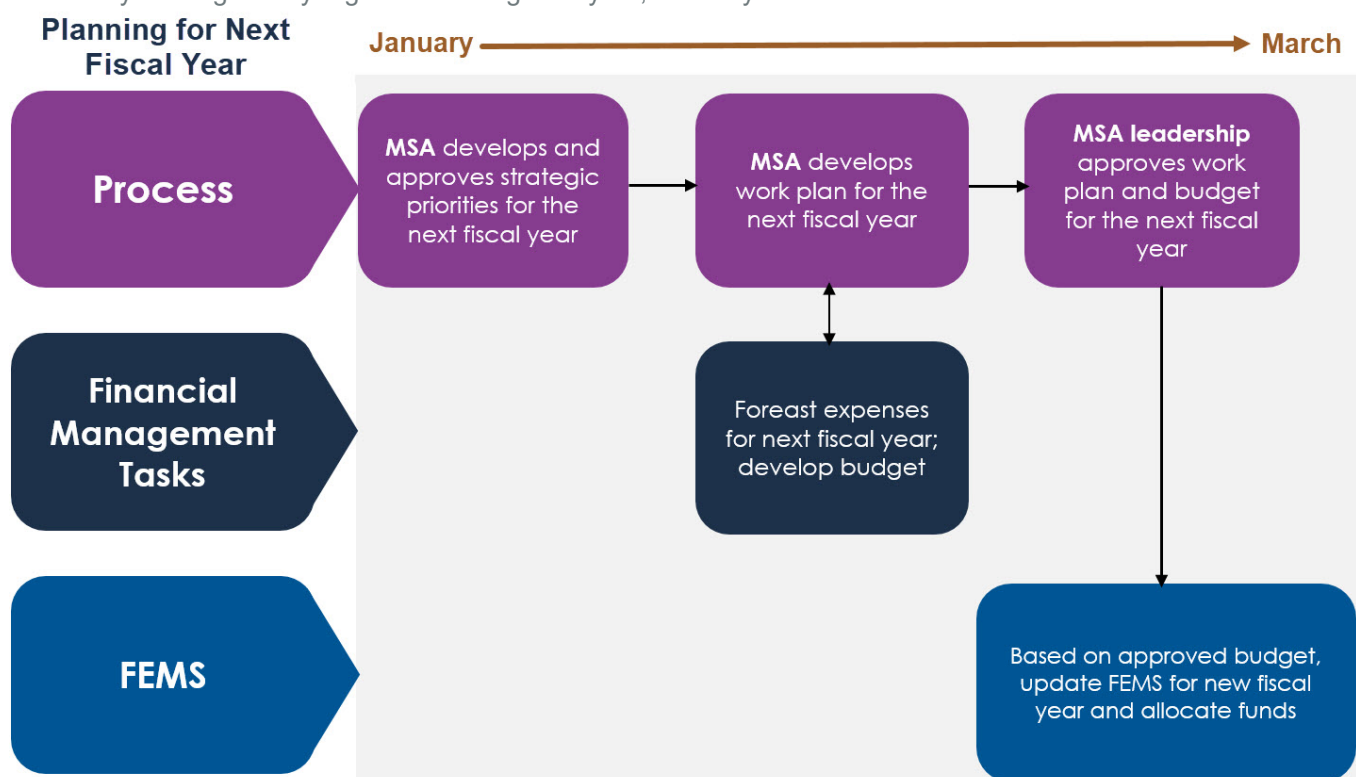
- SRRP Submission Package Template
- Financial Statements
- **Work Plan Template**
- **Engagement Activity Intake Proposal Template Form**
- **Budgeting Tool Template**
- Previous MSA/Society Work Plan and Budget

ESTIMATED TIMES FOR COMPLETION

- **Timeframe:** January - March
MSA develops strategic priorities, work plan, budget: Duration of this task is dependent on your MSA's processes. If you would like support to develop or optimize your planning processes, contact your FEL.
- **Update FEMS:** 3-4 hours
MSA develops strategic priorities, work plan, budget: Duration of this task is dependent on your MSA's processes. If you would like support to develop or optimize your planning processes, contact your FEL.

DESCRIPTION

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



PLANNING FOR NEXT FISCAL YEAR CONTINUED

STEPS

1. MSA develops and approves strategic priorities for next fiscal year	<p>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.</p>
2. MSA develops work plan and budget based on strategic priorities for next fiscal year	<p>To ensure there is enough funding to support your activities, develop the work plan and budget simultaneously. See Budgeting Tool Template or Example</p> <ol style="list-style-type: none"> Use your updated budget from the previous financial year/FEMS to see how much was spent on internal operating expenses, governance, working group/committee costs. Identify engagement activities being carried over into the new financial year. Insert these into draft budget for next year. Allocate a contingency of approximately 10% of your total available budget; consider assigning this as a separate engagement activity or built into each engagement activity in FEMS and in your draft budget. 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 draft budget. Develop work plan based on strategic priorities.
3. MSA Leadership approves work plan and budget for next fiscal year	<p>Based on approved budget, update FEMS for new fiscal year and allocate funds.</p>

FAQs

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. Meaning, activities that cross fiscal years will be tying up funding from both the current and future year.

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; quarterly reviews of activity progress are recommended.

How will I know how much to budget for an engagement activity?

Seek advice from the project lead to determine what the budget is. The project intake proposal form includes this key question for budgeting purposes.

You may also wish to search the SEAT database to find a similar engagement activity and reach out to the site to see what was budgeted for.

Key costs to consider are sessionals, catering, meeting space, accommodations, travel, supplies and contingency funding.

What amount should I budget for contingency funding?

Set approximately 10% of your total available allocation aside for contingency purposes, considering any extenuating circumstances that may apply.

Why should we have a contingency fund?

A contingency fund is cash reserved to address unforeseen circumstances or losses.

The role of the contingency fund is to improve the MSA/Society's financial stability by developing a safety net that can be used to fill emergency needs or new high priority issues as they emerge.

QUARTERLY REVIEW

TOOLS

- Budgeting Tool Template
- Financial Statements
- Understanding Financial Statements - Incorporated
- Enkel Financial Statement & IOEs - Unincorporated
- Engagement Activity Intake Proposal Template Form
- Memorandum of Understanding (MOU)
- Funding Guidelines
- Funding Guideline Summary Table
- Evaluation Toolkit
- Site Engagement Activity Tracker (SEAT)

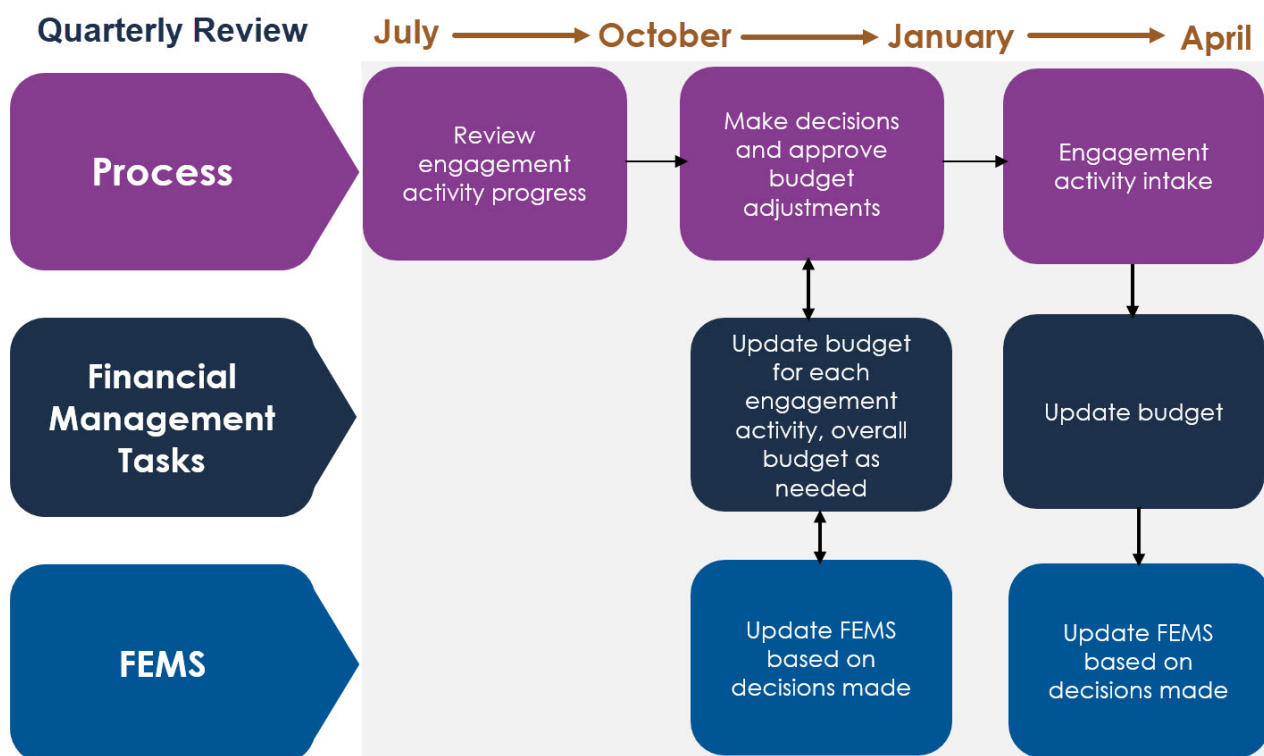
ESTIMATED TIMES FOR COMPLETION

- **Timeframe:** Minimum quarterly in July, October, January, March (ideally monthly)
- Best practice is to review all engagement activities quarterly at minimum. Review/ completion timeframes are dependent on total number of engagement activities and the number of completing 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:**

- A MSA can only allocate uncommitted budget to engagement activities, without exceeding the total available allocation.
- Engagement activities and their budgets should be reviewed at least quarterly to determine if activities and spend are on track, to free up unused funds, and to make adjustments where necessary before new engagement activities are considered.
- MSAs should consider their financial position relative to their funding gates.



STEPS

1. Review engagement activity progress on a regular basis

- i. Review engagement activity spend in FEMS, flagging those engagement activities whose spend is irregular (e.g. more/less than anticipated, or stalled).
- ii. Follow up with engagement activity lead for an update. This process can be as formal or as informal as suits the site, but should cover **three key areas**:
 - a) *Are the budget and work on track?*
Yes: proceed as normal
No: Overspending? Underspending? What needs to happen to remedy the situation?
 - b) *Have barriers and/or risks been identified?*
 - c) *Are there any changes to the planned activity?*
- iii. 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.
- i. 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 overall annual budget is projected to exceed MSA's total available allocation, MSA Executive/Working Group must review overall budget including all engagement activities and make decisions (e.g. Adjust engagement activity budget allocation, reassign funds, curb spending)
 - ii. Based on MSA Executive/Working Group decisions, re-allocate unused funds and update FEMS.

3. Engagement activity intake

- If there is operational capacity and uncommitted budget, accept new Engagement Activity proposals.
- i. Vet proposals based on alignment with MOU objectives, Funding Guidelines, MSA strategic priorities, feasibility, uncommitted budget, and health authority priorities (as appropriate). Consider adjusting project budget and/or timing if engagement activity is predicted to extend past March 31. Accept/reject proposals.
 - ii. MSA Administrator confirms expectations, responsibilities, and timelines with Engagement Activity Lead.
 - iii. Set up approved engagement activities in FEMS and allocate budget for current fiscal year.

FAQs

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 an accrual period.

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

What is the recommended frequency of activity intake?

It is recommended that intake of new activities be considered on a quarterly basis. This practice gives MSAs the flexibility 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 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. Meaning, activities that cross fiscal years will be tying up funding from both the current and future year.

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 31 into FEMS, and note the remaining funding required in a separate document.

If 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.

For recommended actions, see *YE Evaluation Step 1b*. Ideally, any carryover issues are identified by the third quarter of the current fiscal year.

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 preallocated, which reduces the amount of funds available for new activities in these years.

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

Consider the following:

- 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 over-runs to see if they are reasonable.
- How much more needs to 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 into the next year, to free up the funds for other activities in this fiscal year.

FAQs

What process should be taken if the overall budget has over-allocated funds?

By following annual budgets set out at the beginning of a fiscal year, over-allocation should not occur.

Strategies to accommodate any over-allocation should be discussed in leadership meetings.

Actions could include freeing up funds, not accepting engagement activity proposals, canceling planned engagement activities.

When should the budget be reported out to the executive?

It is recommended that budget updates be reported monthly to the Executive and quarterly to the Working Group/ Advisory Council.

Ideally, quarterly meetings are held at the end of the month following quarter-end (i.e. 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.

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/Society Directors have a fiduciary responsibility to know how the Facility Engagement Money is being spent.

Over time, the time it takes to review engagement activities and budget will decrease substantially.

YEAR END EVALUATION

TOOLS

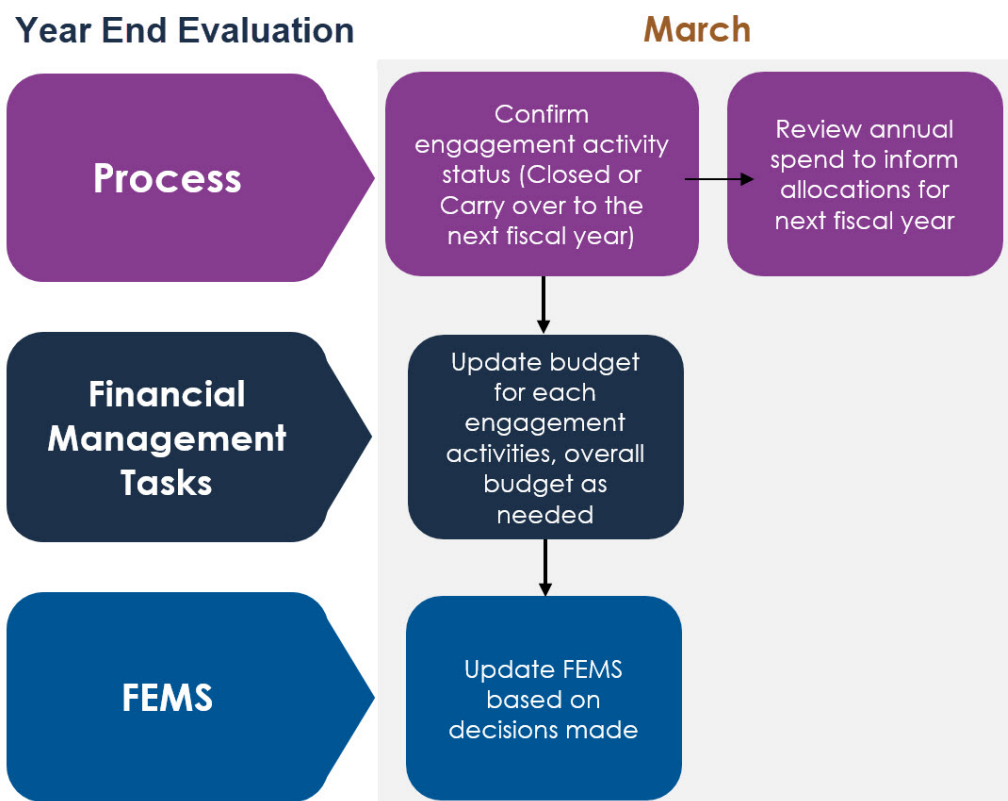
- Evaluation Toolkit
- Site Engagement Activity Tracker (SEAT)
- FEMS Reports and Guides
- Budgeting Tool Template

ESTIMATED TIMES FOR COMPLETION

- **Timeframe:** March
For each Engagement Activity, estimate 10-15 minutes.

DESCRIPTION

This important step will give MSAs a good sense of the previous fiscal year's successes, challenges, and financial status. These items will inform the next year's financial and strategic planning.



STEPS

1. Confirm engagement activity status

Close or carry over. (*Repeat for each engagement activity*)

- i. If an engagement activity is to be closed, finalize it in FEMS, evaluate it and make updates in SEAT. Flag unused funds for reallocation in FEMS.
- ii. If an engagement activity is to be carried over, complete the necessary FEMS steps to finalize this financial year (*see FAQs for options*). Allocate budget in the new fiscal year. Use carried-over engagement activities to drive the budgeting process for next fiscal year. Don't forget to consider accrual period details in FEMS.

2. Review annual spend to inform allocations for next fiscal year

Update budget and analyze the previous year's spend.

Evaluate engagement activities:

- Which engagement activities are successful and should continue?
- Which are not successful and should not be continued?
- Is the balance between engagement activity costs, administrative costs, and governance costs (including WG) enabling us to achieve our strategic goals?

If No: What aspects of the budget/engagement activities do we need to change?

If Yes: Use last year's results as basis for next year's budget.

**** Planning for Next Fiscal year should take place in tandem with this process.**

FAQs

How do I handle engagement activities that span multiple financial years in FEMS?

Sites can choose how to handle these situations:

Option 1:

Adjust budget allocation to cover any claims submitted for March 31 and earlier; close engagement activities when all claims have been paid out. Also create a new engagement activities for the new fiscal year and allocate budget.

Option 2:

Keep engagement activities open and add new year's allocation to the existing EA.

CALENDAR

MONTH	DAY	BUDGET and ACTIVITY TASKS
JANUARY	15 31	<ul style="list-style-type: none"> Start Planning for Next Fiscal Year Phase 2: Quarterly Review Society Monthly Financial Interface Task - QuickBooks Society Monthly Financial Interface Task - Sage50 Society Payroll Remittance (monthly, quarterly) Financial Interface Submission due (quarterly)
FEBRUARY	15	<ul style="list-style-type: none"> Society Monthly Financial Interface Task - QuickBooks Society Monthly Financial Interface Task - Sage50 Continue Planning for next Fiscal Year Society Payroll Remittance (monthly, quarterly)
MARCH	15 31	<ul style="list-style-type: none"> FEMS Year End Activities Society Monthly Financial Interface Task - QuickBooks Society Monthly Financial Interface Task - Sage50 Report on Engagement Activity Progress Year-End Evaluation Society Payroll Remittance (monthly, quarterly) Complete Planning for next Fiscal Year
APRIL	1 15 15	<ul style="list-style-type: none"> Society Monthly Financial Interface Task - QuickBooks Society Monthly Financial Interface Task - Sage50 Quarterly Review Set up Annual Projects in FEMS, allocate budget SEAT Report submission due (biannually) Society Payroll Remittance (monthly, quarterly)
MAY	15	<ul style="list-style-type: none"> Society Monthly Financial Interface Task - QuickBooks Society Monthly Financial Interface Task - Sage50 Society Payroll Remittance (monthly, quarterly)
JUNE	15 30	<ul style="list-style-type: none"> Society Year-End Financial Interface Submission Society Monthly Financial Interface Task - QuickBooks Society Monthly Financial Interface Task - Sage50 Society Payroll Remittance (monthly, quarterly) Year-End Financial Interface Submission due

CALENDAR

MONTH	DAY	BUDGET and ACTIVITY TASKS
JULY	15 31	<ul style="list-style-type: none"> • Society Monthly Financial Interface Task - QuickBooks • Society Monthly Financial Interface Task - Sage50 • Quarterly Review • Society Payroll Remittance (monthly, quarterly) • Financial Interface Submission due (quarterly)
AUGUST	15	<ul style="list-style-type: none"> • Society Monthly Financial Interface Task - QuickBooks • Society Monthly Financial Interface Task - Sage50 • Society Payroll Remittance (monthly, quarterly)
SEPTEMBER	15	<ul style="list-style-type: none"> • Society Monthly Financial Interface Task - QuickBooks • Society Monthly Financial Interface Task - Sage50 • Society Payroll Remittance (monthly, quarterly)
OCTOBER	15 15 31	<ul style="list-style-type: none"> • Society Monthly Financial Interface Task - QuickBooks • Society Monthly Financial Interface Task - Sage50 • Quarterly Review • SEAT Report submission due (biannually) • Society Payroll Remittance (monthly, quarterly) • Financial Interface Submission due (quarterly)
NOVEMBER	15	<ul style="list-style-type: none"> • Society Monthly Financial Interface Task - QuickBooks • Society Monthly Financial Interface Task - Sage50 • Society Payroll Remittance (monthly, quarterly)
DECEMBER	15	<ul style="list-style-type: none"> • Society Monthly Financial Interface Task - QuickBooks • Society Monthly Financial Interface Task - Sage50 • Society Payroll Remittance (monthly, quarterly)

GLOSSARY

Accrual Period	For the FE Initiative, the accrual period lasts for 60 days after fiscal year-end (<i>March 31</i>) during which accrued expenses – those expenses which are paid after year-end but are from the previous fiscal – are applied against the previous fiscal year.
Budget	A MSA's financial plan or guide for a defined period (<i>1 fiscal year in FE</i>). It includes an estimate of costs, revenues and resources. A budget is set following the MSA work plan approval process.
Budget Progress	Funds spent in relation to the budgeted amount for the year, expressed as a percentage (%).
Engagement Activity Expenses	All expenses directly related to an Engagement Activity or project (<i>e.g., sessional time, event catering costs, project expenses</i>).
Forecast / Projections	Compares the budget to the current financial direction of the MSA. A forecast helps predict whether the MSA will meet, exceed, or fail to meet the planned budget. It attempts to predict future outcomes based on past events and management insight. A forecast is updated at regular intervals (<i>monthly or quarterly</i>). Forecasting is an important tool to help MSAs make necessary adjustments in spending, funding commitments, and funded requests as per the gated funding policy.
Gated Funding	Gated funding is the release of funds that Doctors of BC or the FE Services Company holds on behalf of MSAs. Gated funding used in FE to reduce MSA and SSC risks associated with carrying excess / unused surplus funds. Typically, for Tier 2 sites, MSAs are eligible for a fund transfer of one-half of their annual tier funding once they have spent an equivalent of 50% of their annual funding. For Tier 3-6 sites, MSAs are eligible for a fund transfer of one-quarter of their annual tier funding once the bank account balance is at less than a quarter of the annual funding. Gated funding does not apply to Tier 1 sites.
Internal Operating Expenses (IOEs)	An expense that is not directly related to any Engagement Activity. IOEs are related to the running (<i>overhead</i>) of the MSA for the purposes of the FE Initiative (<i>e.g., office rent, supplies, insurance, banking fees, project staff salaries and expenses</i>).
MSA Administrator	Represents FE funded contractors or staff such as project managers, administrative assistants and coordinators that support MSAs in financial and other operational activities.
MSA Executive	Members of the medical staff who are elected to the roles of President, Vice-President and Treasurer.
MSA Leadership	This could include senior project managers, Executive Members, Advisory, or Working Group. Definition varies by MSA.
Total Available Allocation	Annual authorized allocation plus surplus from the previous fiscal year.
Uncommitted Budget	The remaining budget available to commit to engagement activities.
Work Plan	A MSA's detailed outline of goals and processes that assigns tasks, manages workflow, and tracks milestones and various project components. In FE, a work plan typically has a duration of one fiscal year.