

1 Annual Planning and Budgeting Policy

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3 **Policy**

4 It is Council’s policy to establish an annual planning and budgeting process that is integrated
5 with the operational and long-term strategy of Nipissing First Nation.

6 **Purpose**

7 The purpose of this policy is to ensure that a comprehensive planning process is established to
8 support the on-going decision making of the Nipissing First Nation.

9 **Scope**

10 This policy applies to Council and employees of Nipissing First Nation involved in the planning
11 and budgeting process.

12 **Definitions**

13 “*annual integrated planning process*” refers to the annual process whereby all planning and
14 budgeting activities throughout every level of the organization are effectively linked,
15 coordinated, and driven by the Nipissing First Nation’s vision and strategic objectives.

16 “*Planning Documents*” are the combination of a strategic (community development) plan,
17 capital budget, multi-year financial plan, and annual budget.

18 **Responsibilities**

19 Council is responsible for:

- 20 • reviewing and approving the annual budget and ensuring that it was prepared in
21 accordance with the Nipissing First Nation’s Financial Administration Law and other
22 applicable Nipissing First Nation laws, is based on plausible assumptions and provides
23 for required program and services;
- 24 • reviewing and approving any circumstances that are expected to create a budget deficit
25 including consideration of any recommendation from the Finance and Audit Committee
26 on plans to eliminate the budget deficit in a future period;
- 27 • Reviewing and approving other Planning Documents including but not limited to a
28 strategic (community development) plan, Capital budget, and a multi-year financial plan;
- 29 • reviewing and approving any changes or amendments to the annual budget or other
30 planning documents;
- 31 • establishing specific goals and service priorities to guide resource and allocation
32 decisions during the budget planning sessions;

- 1 • ensuring that a process is in place to address membership priorities in the Strategic Plan
2 and other Planning Documents as appropriate;
- 3 • ensuring that the membership of the Nipissing First Nation is informed about or involved
4 in the preparation of the annual budget, multi-year financial plan, forecast budget deficits
5 or forecast extraordinary expenditures as set out in Nipissing First Nation’s Financial
6 Administration Law;
- 7 • establishing general budget policies or guidelines such as requirements for balanced
8 budget and use of cash reserves.

9 The Finance and Audit Committee is responsible for:

- 10 • Reviewing the draft annual budget and multi-year financial plan and recommending them
11 to Council for approval;
- 12 • Providing recommendations to Council respecting plans to eliminate any budget deficit in
13 a future year;
- 14 • Reviewing any draft amendments of the annual budget and recommending them to
15 Council for approval;
- 16 • Reviewing information, schedules and proposed budget for rehabilitation or replacement
17 of tangible capital assets and plans for new construction of tangible capital assets.

18 The Chief Executive officer is responsible for:

- 19 • arranging early budgeting planning sessions with Council and other key stakeholders
20 essential in developing the budget;
- 21 • arranging and staffing planning sessions for the development of other key planning
22 documents;
- 23 • ensuring that the budgeting calendar is met;
- 24 • reviewing draft budgets in consultation with the Finance and Audit Committee;
- 25 • reviewing other draft planning documents in consultation with the Finance and Audit
26 Committee;
- 27 • Communicating the approved budget to management and line staff;
- 28 • Conducting regular financial monitoring to compare actual income and expenses to those
29 budgeted;
- 30 • Maintain a current register of all Nipissing First Nation’s tangible capital assets and
31 arrange for an annual inspection of them.

32 The Chief Financial Officer is responsible for:

- 33 • creating a budget development calendar and ensuring deadlines are met – subject to
34 Nipissing First Nation’s Financial Administration Law;
- 35 • establishing the format for draft budgets;

- 1 • participating in budget planning sessions with Council, the Finance and Audit
2 Committee, Chief Executive Officer and other key stakeholders;
- 3 • collaborating with department heads in setting draft expenses for their department;
- 4 • preparing the draft budget or consolidating and evaluating draft budgets from department
5 heads for accuracy, reasonableness, applicable guidelines, and anticipated resources in
6 accordance with Section [26] of Nipissing First Nation's Financial Administration Law;
- 7 • developing revenue forecasts based on reviews of fiscal transfer agreements and
8 collaboration with other officers on business and self-generating revenue forecasts;
- 9 • presenting draft annual budgets to the Chief Executive officer and to the Finance and
10 Audit Committee on an annual basis;
- 11 • Implementing financial monitoring, including preparing and analyzing budgeted versus
12 actual revenue and expense reports for the Finance and Audit Committee use and
13 overseeing any Council approved corrective action (i.e. budget amendments), after the
14 annual budget is approved;
- 15 • Make forecasts and prepare budgets for tangible capital assets; and
- 16 • Any other responsibilities as outlined in Nipissing First Nations' Financial
17 Administration Law.

18 **Procedures**

19 **Annual Integrated Planning Process**

- 20 a) An annual planning session will be held within five (5) months prior to the start of the
21 fiscal year being planned for. The planning session will generally include:
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 - 23 i. Council members, members of the Finance and Audit Committee, the Chief
24 Executive officer, the Chief Financial Officer, and other representatives from
25 Department or functional areas of business;
 - 26 ii. establishment or communication of current year and the five (5) multi-year
27 operational goals and objectives based on priorities established by Council in
28 consultation with membership. An example of communication would be the
29 posting notice of all publicly held Council meetings that deal with budgets, and
30 the multi-year strategic plans will be completed;
 - 31 iii. presentation of budget development calendar;
 - 32 iv. establishment or update of key budgetary assumptions, budgetary constraints, and
33 cost drivers for current year and the five (5) year plan;
 - 34 v. establishment or update of a multi-year capital plan schedule to ensure the
35 effective management of capital assets which identifies and prioritizes expected
36 needs, costs, and expected sources of financing;
 - 37 vi. establishment or update of strategies, goals and objectives for the strategic plan –
38 the plan that details Nipissing First Nation's longer term priorities and the plan for
39 resources needed to meet the objectives of the plan.

1 **Budget**

- 2 a) Based on the annual integrated planning session, the initial operating budget estimates
3 will be prepared and the five (5) year Capital budget estimates will be prepared or
4 updated accordingly.
- 5 b) Budget assumptions will be documented and updated throughout the budget preparation
6 process with budget adjustments made as required.
- 7 c) Capital budgeting estimates should include all capital improvement projects (purchase,
8 construction, or renovation of physical facilities) and all capital equipment expenditures.
- 9 d) Any projected deficit must be accompanied by a report that outlines the contributing
10 factors and circumstances and the plan by which it will be eliminated in a future year;
- 11 e) Human Resources will provide detailed financial information on staffing and benefits for
12 each department.
- 13 f) The draft budget will be presented for discussion at a Finance and Audit Committee
14 meeting. The Committee may accept the estimates as presented or request amendments,
15 within the context of the operating objectives and the strategic plan.
- 16 g) The final draft budget recommended for approval to Council by the Finance and Audit
17 Committee will be approved by Council no later than March 31st of the fiscal year
18 proceeding the budget year.
- 19 h) The draft budget must meet the requirements of Nipissing First Nation's Financial
20 Administration Law and the integrated planning process must comply with the schedule
21 for planning activities set out in that Law.

22 **Strategic Plan**

23 Based on the annual integrated planning session, a comprehensive and holistic strategic plan will
24 be prepared that will include:

- 25 a) Developing a community vision that provides the guiding principle of the plan;
26 b) Developing a community priorities list (e.g. housing, education, etc.);
27 c) Setting a realistic timeframe to implement the plan;
28 d) Identifying the requirements to implement the plan (i.e. using legislative tools of
29 governance and public finance to support activities or the need to acquire additions to
30 reserve, or invest in new businesses to generate additional revenues);
31 e) Determining how the implementation of the plan will be resourced.

32 The plan should include community input on the vision and priorities.

33 The draft strategic plan will be presented for discussion at a Finance and Audit Committee
34 meeting. The Committee may accept the plan as presented or request amendments, within the
35 context of the operating objectives and the vision and priorities of Nipissing First Nation.

1 The final multi-year financial plan recommended for approval to Council by the Finance and
2 Audit Committee will be approved by Council as a formal planning document no later than
3 March 31st of the each fiscal year.

4 **Multi-Year Financial Plan**

5 Based on the annual integrated planning session, a multi-year financial plan that has a planning
6 period of five (5) years comprised of the current fiscal year and the four (4) succeeding fiscal
7 years will be prepared that will also include the following:

- 8 a) revenue projections by major revenue type that demonstrate trends in existing revenue
9 streams;
- 10 b) in respect of projected revenues sets out separate amounts for income from taxes, fees
11 and charges, transfers from Canada or a provincial or territorial government, grants and
12 business operations and proceeds from borrowing;
- 13 c) in respect of projected expenditures, sets out separate amounts for payments, including
14 payments of principal and interest on debt, payments required for capital projects as
15 defined in Nipissing First Nation's Financial Administration Law, payments required to
16 address any deficits and payments for all other purposes;
- 17 d) is based on projections of revenues, expenditures and transfers between accounts;
- 18 e) in respect of transfers between accounts, sets out the amounts from the tangible capital
19 asset reserve account;
- 20 f) reserves/fund balances that estimate the available reserves available to help short-term
21 fiscal shortfalls or unanticipated or planned expenditures;
- 22 g) shows all categories of restricted cash;
- 23 h) indicates whether in any of the five (5) years of the plan a deficit or surplus is expected
24 from the project of revenues and expenditures that year; and
- 25 i) a cover sheet that describes the broad assumptions and judgments used in the
26 developments of the plan.

27 The draft multi-year financial plan will be presented for discussion at a Finance and Audit
28 Committee meeting. The Committee may accept the plan as presented or request amendments,
29 within the context of the operating objectives and the strategic plan.

30 The final multi-year financial plan recommended for approval to Council by the Finance and
31 Audit Committee will be adopted as a formal planning document no later than March 31st of the
32 each fiscal year.

33 **Adjustments to the Plans and Budgets**

34 An annual adjustment process in the Budget Calendar will be included to adjust the plans and
35 budgets.

1 The circumstances to make adjustments to budgets are limited to substantial change in the
2 forecasted revenues or expenses of Nipissing First Nation or in the expenditure priorities of the
3 Council; which may include the following:

- 4 • External factors that impact funding arrangements;
- 5 • impacts related to capital project adjustments;
- 6 • unforeseen changes to budget assumptions;
- 7 • Council approved changes to priorities or operating objectives.

8 Proposed amendments to the strategic plan or multi-year plan will be brought forward to the next
9 annual planning session.

10 Significant time-sensitive adjustments should be brought to the Finance and Audit Committee for
11 review and recommendation to Council.

12 On or before October 31st of each year the Chief Financial Officer must prepare and submit to
13 the Finance and Audit Committee for review a draft amendment of the component of the annual
14 budget.

15 On or before November 15th of each year, the Finance and Audit Committee must review the
16 draft amendment of the component of the annual budget.

17 No later than December 1st of each year, the Council must approve the amendment of the
18 component of the annual budget.

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Approved this 6th day of October, 2015
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