

Band Advisory Services Program Policy

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Authority

TB Decision (March 2005) - *Indian Government Support* contribution programs

Program Overview

The policy on *Band Advisory Services* has been in existence since 1989. To qualify for *Band Advisory Services* program funding, a band must have a minimum on-reserve population of 2,000 Status Indians. The government, at the request of eligible Indian bands, may provide support to a band not affiliated with a tribal council (unaffiliated bands) to enable them to acquire advisory services. Bands may be eligible to receive funding for advisory services in their own right if they are not now and do not intend to be affiliated with a tribal council. Eligible bands must agree to be responsible for providing, as needed, the five advisory services - services that were previously provided directly by INAC personnel primarily through district offices. Advisory services are defined as the provision to band councils of specific knowledge, expertise and/or assistance in the following fields: band government, financial management, community planning, technical services and economic development. Funding for advisory services is determined according to a formula taking into account the advisory services administered, the on-reserve population of the band and the location of the band. Bands must be afforded the maximum possible flexibility to manage, consistent with the department's responsibility to account for public funds.

Eligibility for *Band Advisory Services* is based on the receipt of an acceptable application due by April 1st of each year. The budget for these large unaffiliated bands is set at the start of the funding arrangement and may be adjusted during the life of the arrangement. Regions submit *Band Advisory Services* application and budget data to Headquarters by July 15th of each year to verify and update the national database to ensure that formula-based requirements can be fully substantiated. Adjustments are made to regional allocations based on analysis of these inputs. Bands submit annual reports describing their use of *Band Advisory Services* funding to the department by May 31st of the following fiscal year. These reports are analysed to assess the use of funds related to program objectives and to gather quantitative and qualitative data to support program management.

Annex 4 presents the detailed tables for calculation of *Band Advisory Services* funding.

The *Band Advisory Services* program can be funded through a Contribution, a *Flexible Transfer Payment* and an *Alternative Funding Arrangement* authority.

This program policy applies to the contribution funded elements of the *Indian Government Support* program. This program policy also applies to the *Flexible Transfer Payment* funded elements of the *Indian Government Support* program, in conjunction with the *Flexible Transfer Payment* terms and conditions. For the purposes of the *Alternative Funding Arrangement* funded components of the *Band Advisory Services* program, the *Alternative Funding Arrangement* terms and conditions apply in conjunction with the *Alternative Funding Arrangement* minimum program requirements.

Objectives and Results

The *Band Advisory Services* program is linked to the Government pillar in the INAC Results Framework. The Government pillar's strategic outcome of fostering effective institutions is being realized in part through this program which provides support for the effective transfer of responsibility for the delivery of INAC-funded programs and services to large, unaffiliated bands' control, thus supporting culturally appropriate programming and the increased self-reliance of these band communities.

The purpose of the *Band Advisory Services* program is to provide funding to Indian bands not affiliated with tribal councils to assist them in accessing advisory services independently. There are a number of reasons why some Indian bands are not affiliated with tribal councils, including cultural and linguistic differences between bands in reasonable proximity to each other, or extreme distances between bands in remote areas. Bands are eligible to apply for *Band Advisory Services* program funding provided they: have a minimum on-reserve population of 2,000 Status Indians; are not, and have no intention of becoming, affiliated with a tribal council for the purpose of program or service delivery; and take responsibility for obtaining advisory services, as required, in all five categories. *Band Advisory Services* program funding allows these bands to create internal staff positions within their administrations or contract out for the provision of advisory services in the five areas for which tribal councils are funded.

The objectives of the *Band Advisory Services* program are to enable large, unaffiliated Indian bands to: redesign and/or establish programs to meet their priorities; apply funds in accordance with community needs; foster accountability to their members; and foster their accountability to the Minister without compromising ministerial accountability to Parliament. This initiative provides large, unaffiliated Indian bands the authority, responsibility and flexibility to apply allocated funds to programs and services as determined by them to address their community needs and priorities. *Band Advisory Services* funding allows large, unaffiliated bands to "make or buy" advisory services in the same five areas for which tribal councils are funded: band government, financial management, economic development, community planning and technical services.

Eligible Recipients

Indian bands are eligible for the *Band Advisory Services* program if they have a minimum on-reserve population of 2,000 Status Indians. Bands, which meet the population eligibility criteria and wish to receive *Band Advisory Services* program funding, must indicate to the department in the *Band Advisory Services* application form that it: is not now affiliated with a tribal council for the purposes of receiving advisory services; has no immediate intention of becoming a member of a tribal council for service delivery purposes; and will be responsible for obtaining advisory services, as required, in all five categories.

Under the *Alternative Funding Arrangement* Block Funding:

First Nations which meet the eligibility criteria for *Band Advisory Services* funding may also be eligible recipients for *Alternative Funding Arrangements*.

Stacking Provisions

Proposals for funding from each recipient shall address the requirement for the recipient to declare any and all prospective sources of funding for the program or project, inclusive of all federal, provincial, territorial or municipal government (total government assistance) and other sources that is expected to be received. The maximum level of total government assistance will not exceed 100% of eligible expenditures. In the event that the financial reporting shows more than one source of funding for the program or project in excess of \$100,000, then the repayment of any amount exceeding the total government assistance limit will be calculated on a pro-rated basis and the recipient shall reimburse INAC the calculated amount.

Third Party Delivery

Where the recipient delegates authority or transfers program funding to an agency (e.g. a board, council, committee or other entity authorized to act on behalf of the recipient), the recipient shall remain liable to the Minister and to its members for the performance of its obligations under the funding agreement. Neither the objectives of the programs nor the expectations of transparent, fair and equitable service shall be compromised by this delegation or transfer of funds.

Application Requirements

Recipients who are former public office holders must respect and comply with the *Conflict of Interest and Post-Employment Code for Public Office Holders and the Conflict of Interest and Post-Employment Code for the Public Service* (2003). Recipients who are former public servants must respect and comply with the *Values and Ethics Code for the Public Service*. Where an applicant employs or has a major shareholder who is either a current or former (in the last twelve months) public office holder or public servant in the federal government, compliance with the Code(s) must be demonstrated.

Recipients must complete an application form annually in the manner prescribed by the department, and must submit the form, duly filled out and signed, to the regional office. The application form includes declarations by the band that it complies with key eligibility criteria of the program. Specifically, the band: attests to the fact that it is not, and does not intend to be, affiliated with a tribal council for purposes of program and/or service delivery; and agrees to be responsible for providing, as needed, the five advisory services – services that were previously provided directly by INAC. The application form must be a document separate from the funding arrangement and must not be incorporated into the text of the arrangement.

The data relevant to the *Band Advisory Services* program funding formula is included in the application requirements of the *Band Support Funding* program (see Annex 4) and therefore must be reviewed for comparison with departmental records and approved by regional office.

In order to continue to receive funding under the *Indian Government Support Contribution* program, the eligible recipient will provide the department with:

- program specific annual reports which include the necessary information, as specified by the department, sufficient to verify adherence to program terms and conditions and demonstrate results; and
- an annual financial audit as per the Year-End Reporting Handbook for First Nations, Tribal Councils and First Nation Political Organizations.

Under the *Alternative Funding Arrangement* Block Funding

Application requirements specific to an *Alternative Funding Arrangement* are set out in the *Alternative Funding Arrangement* terms and conditions. For *Band Advisory Services*, the completed application form confirms that a recipient has met specific *Alternative Funding Arrangement* eligibility criteria, but does not provide the data required by the program funding formula to calculate the funding amount. This data is included in the application requirements of the *Band Support Funding* program (see Annex 4). The resulting amount is used to establish the initial base budget for *Alternative Funding Arrangement* funding and where *Alternative Funding Arrangement* funding is to be re-established.

All recipients must submit an application for each agreement renewal. All recipients must submit an application form to receive any increase in funding or if they are assuming management of a new program. Recipients must agree to make available to their members a budget for the expenditure for all funds to be received, and to maintain accounting and record systems consistent with their responsibility to account properly for the expenditure of public funds.

Eligible Expenditures

Funding under the *Band Advisory Services* program may be approved upon application where that application meets program-specific criteria.

Funding is provided for the delivery of advisory services. This involves the provision of specific knowledge, expertise and/or assistance in the five fields of band government, financial management, community planning, technical services and economic development. Eligible expenditures include assisting, advising and training in a broad range of government activities, financial services, economic development areas, community planning activities and technical service activities. Following are specific examples for each of the five advisory services.

- Band government includes administration functions; governing structures, strategic planning and problem solving; Section 74 of the *Indian Act* and Band Custom Elections and referenda, election codes, conflict of interest codes and codes of conduct; management training, orientation and development programs for elected members and managers; and interpreting the *Indian Act* for members and membership registration.
- Financial management includes assisting, advising and training band staff and elected officials in a broad range of financial services areas such as planning, reporting and system development; capital financing and liaison with financial institutions; formulating, drafting and implementing financial management policies procedures and by-laws; establishing budgets and financial management policies; debt consolidation, remedial management and repayment plans; and personnel recruitment and selection.
- Economic development includes formulating, drafting, planning and implementing economic strategies; business plan and funding proposal preparation; setting up and operating economic development corporations and joint ventures; networking activities; and activities that support on-reserve economic development.
- Community planning includes formulating, planning, implementing and maintaining community development strategies; producing and/or analysing studies, inventories, social analyses, impact assessments on the development and use of the community resources; and building human resource capacity.
- Technical services include planning, designing, managing, operating and maintaining community facilities and infrastructure; developing five-year plans; applying policies, standards, codes and regulations for technical services; capacity building with professional associations and governments; coordinating training and development programs, staff selection and recruitment; and providing risk management, engineering services, special programs and inspection services.

Administration funding is provided to band councils for the delivery of advisory services in accordance with the funding formula in Annex 4.

Annex 4 presents the tables for calculation of *Band Advisory Services* funding.

Under the *Alternative Funding Arrangement* Block Funding:

Eligible expenditures as set out in this program policy shall apply in order to establish the initial base budget for *Alternative Funding Arrangement* funding and where *Alternative Funding Arrangement* funding is to be re-established.

Maximum Amount Payable

The maximum amount payable to each eligible recipient is determined by the *Band Advisory Services* funding formula.

In addition to normal financial terms and conditions, funding arrangements must contain a statement that the band council no longer considers the department to be responsible for providing advisory services in any of the five functional areas.

Under the *Alternative Funding Arrangement* Block Funding:

Payments under the *Alternative Funding Arrangement* shall not exceed the results given by the *Alternative Funding Arrangement* formula.

Basis and Timing of Payment

Contributions are normally paid on the basis of achievement or performance objectives or as reimbursement of expenditures incurred. Payments are made based on a cash flow forecast from the recipient and will not exceed the payment frequency as set out in the Cash Management Policy (Policy on Transfer Payments, Section 7.6).

INAC contribution arrangements with Indian bands do not have explicit hold back provisions. Instead, recipients are advised in the agreement that: "funding otherwise payable under this Arrangement may be withheld by the Minister, if the Audit and reports are not provided by the Council to the Minister as required under this Arrangement or its predecessor. Any amounts so withheld shall be paid by the Minister to the Council, within forty-five (45) days of the submission of the reports."

Under the *Alternative Funding Arrangement* Block Funding:

Alternative Funding Arrangement payments are made as follows, or in such other manner as the parties may agree upon and set out in writing:

- (1) 25.3% (8.7% April + 8.3% May + 8.3% June) of the total *Alternative Funding Arrangement* funding payable for each fiscal year will be paid within the first ten (10) business days of April; and
- (2) 8.3% of the total *Alternative Funding Arrangement* funding payable for each fiscal year will be paid on the first business day of each of the nine (9) successive months commencing in May and ending in January of each fiscal year.

Funding Level Changes

Recipients are advised through program literature and when funding proposals are made and approved that payments may be cancelled or reduced in the event that departmental funding levels are changed by Parliament. In these cases, the "level of funding changed by Parliament" clause is included in funding arrangements.

Annex 1

Indian Government Support Program

Summary

As bands and Inuit communities have assumed primary responsibility for the provision of programs and services to their members over the past two decades, five distinct but related programs have evolved as sources of support to their governments and public institutions. Referred to as the *Indian Government Support* programs, they include: *Band Support Funding, Band Employee Benefits, Tribal Council Funding, Band Advisory Services* and *Indian and Inuit Management Development*. These programs constitute the foundation for the development and maintenance of community governments, institutions and regional delivery organizations. Band governments, through an array of institutions and organizations, now directly administer 85% of INAC-funded programs and services including education, social assistance and social support services, housing and community infrastructure (Source: Basic Departmental Data, 2003, p.69).

Objectives

The goal of *Indian Government Support* programming is to provide bands with assistance for the establishment and maintenance of effective local governance and administrative systems and the provision of programs and services to their members. *Indian Government Support* is provided for a variety of functions, including: pension and benefit regimes for eligible band employees; capacity development and training; and, where feasible and desirable, the regional administration of programs and services through tribal councils.

Annex 2

Definitions

Advisory Services: The provision to the bands of specific knowledge, expertise and/or assistance in the following fields:

- (a) band government;
- (b) financial management;
- (c) community planning;
- (d) technical services; and
- (e) economic development.

The five fields have been defined broadly in order to enable band councils to be flexible and adaptive in the delivery of advisory services to their members for each of these fields and also to allow for the evolution of these fields over time. All advisory services work for which funding is provided is to be directly related to these fields. (See definitions of each of the five advisory services.)

The program policy enables band councils to channel available advisory service resources to priorities set by their members in response to changing circumstances. Priorities may shift between these fields and greater resources may be allocated to these priorities, provided that the decision to allocate to higher priorities is the result of strategic planning and that band councils remain responsible for the advisory services in the five fields.

Affiliated Band: A band affiliated with a tribal council for the purpose of advisory services delivery.

Alternative Funding Arrangement: A funding mechanism which provides recognized Indian bands ("First Nations") and tribal councils, through a five (5) year funding arrangement, the authority, responsibility and flexibility to apply allocated funds to programs and services as determined by them to address their community needs and priorities.

Band Council or First Nation refers to the council of a band as defined in the *Indian Act*.

Band Government Advisory Service includes administration functions; governing structures, strategic planning and problem solving; Section 74 of the *Indian Act* and Band Custom Elections and referenda, election codes, conflict of interest codes and codes of conduct; management training, orientation and development programs for

elected members and managers; and interpreting the *Indian Act* for members and membership registration.

Canada/First Nations Funding Arrangement or DIAND/First Nations Funding Agreement: A five year funding arrangement structured to include the following funding authorities:

- (i) multi-year funding under the *Alternative Funding Arrangement* funding authority; annual targeted funding under *Contribution* funding authority and *Flexible Transfer Payment* funding authority; and
- (ii) funding from other government departments. The *Canada/First Nations Funding Arrangement* is an optional funding arrangement available to those First Nations and Tribal councils who wish to have flexibility to design programs and apply allocated funds to programs and services that address community needs and priorities. The funding arrangement is conditional on meeting the entry criteria for *Alternative Funding Arrangement* eligibility and meet both the *Alternative Funding Arrangement* terms and conditions and certain specified minimum program requirements as outlined in this program policy are met, and who meet specific *Alternative Funding Arrangement* entry criteria.

Community: A location where band members reside and which is acknowledged to be a federal responsibility in whole or in part.

Community Planning Advisory Service includes formulating, planning, implementing and maintaining community development strategies; producing and/or analysing studies, inventories, social analyses, impact assessments on the development and use of the community resources; and building human resource capacity.

Comprehensive Funding Arrangement: The basic annual funding arrangement INAC uses to transfer annual funding to recipients for program delivery and which is structured to include the following authorities: Grant, Contribution and *Flexible Transfer Payment*;

Contribution: A conditional transfer in accordance with specific program terms and conditions and based on reimbursing for specific expenditures. Unexpended balances or unallowable expenditures are debts due to the Crown.

Contribution Arrangement: An arrangement INAC enters into which requires significant interaction between the department and eligible recipients for the management of specific programs or projects. Funding is based on reimbursing for eligible expenditures. Unexpended balances or unallowable expenditures are debts due to the Crown.

Department: The Department of Indian Affairs and Northern Development.

DIAND/First Nations Funding Arrangement: See *Canada/First Nations Funding Arrangement*.

Economic Development Advisory Service includes formulating, drafting, planning and implementing economic strategies; business plan and funding proposal preparation; setting up and operating economic development corporations and joint ventures; networking activities; and activities that support on-reserve economic development.

Eligibility: To fulfil criteria as determined by the department. (See individual Indian Government Support component program policies)

Financial Management Advisory Service includes assisting, advising and training member bands in a broad range of financial services areas such as planning, reporting and system development; capital financing and liaison with financial institutions; formulating, drafting and implementing financial management policies procedures and by-laws; establishing budgets and financial management policies; debt consolidation, remedial management and repayment plans; and personnel recruitment and selection.

Flexible Transfer Payment: A conditional transfer in accordance with specific program terms and conditions and based on a predetermined fixed amount of expenditure. Unexpended balances are not debts due to the Crown provided program terms and conditions have been met.

Funding Arrangement: The agreement under which funds are transferred to the bands and/or tribal council, including :

- (a) *Contribution Arrangements;*
- (b) *Alternative Funding Arrangements;*
- (c) *Flexible Transfer Payments;* and
- (d) other mechanisms authorized from time to time by Treasury Board.

Grant: An unconditional transfer payment in support of the achievement of specific objectives for which eligibility and entitlement may be verified.

Indian Band: As defined by the *Indian Act*.

Indian Government Support System: The authoritative source for *Indian Government Support* program data.

Service Delivery: The administration of any departmental service for which Indian organizations can be funded by the department.

Service: Activity funded by Indian and Inuit Affairs Program, INAC.

Technical Services Advisory Service includes planning, designing, managing, operating and maintaining community facilities and infrastructure; developing five-year plans; applying policies, standards, codes and regulations for technical services; capacity building with professional associations and governments; coordinating training and development programs, staff selection and recruitment; and providing risk management, engineering services, special programs and inspection services.

Tribal Council: An organization established by a number of bands with common interests who voluntarily join together to provide advisory and/or program services to member bands. This excludes district liaison councils, political bodies and single service agencies (e.g. education authorities, child welfare agencies, housing authorities).

Unaffiliated Band: A band not affiliated with a tribal council for the purpose of program or service delivery.

Annex 3

Responsibilities and Procedures

Responsibilities

Roles and Responsibilities of INAC

The Director General, Governance, is responsible for the overall administration of the *Band Advisory Services* program. The Director General, Governance, or his/her delegate, develops, prepares and circulates all policy directives and operational procedures related to the activity.

The Director, Corporate Information and Management Directorate (CIMD) in Headquarters is responsible for the overall administration of the National Indian Government Support System (IGSS) which is used to determine eligible funding levels and performance reporting. The Director, CIMD, or his/her delegate, provides regional database support and training. The regions are responsible for gathering the relevant data and entering it in the system.

Headquarters Finance is responsible for managing the allocation process for the *Band Advisory Services* program.

The Regional Director General, Regional Director or his/her delegate is responsible for the delivery, maintenance, monitoring and support functions associated with the timely and efficient provision of resources.

The Regional Director General is responsible for verification of all inputs.

The eligible recipient and the department must agree on the accuracy of its information on which the funding arrangement is to be based, and for the delivery of services.

Roles and Responsibilities of Eligible Bands

The band council is responsible for the provision of accurate information on the application form.

The band council is responsible for submitting an annual report on the previous fiscal year advisory services activities in a departmentally prescribed format and within departmentally prescribed time lines.

To be funded, band councils must agree to take on responsibility for advisory services in all five fields and will not consider INAC to be responsible for providing any of the five advisory services.

These roles and responsibilities impose a duty of stewardship on the part of the band council to provide information to band members and to report on:

- (a) the annual financial audit;
- (b) the ongoing review and regular monitoring of service delivery and quality;
- (c) the development and approval of human resource development plans and policies, and appointment of senior personnel;
- (d) effective communications with band members and INAC;
- (e) the integrity of financial, management and information systems; and
- (f) the periodic review of program effectiveness, including strategic and operating plans, identification of priorities and management of risk.

Procedures

Recipients must submit their application for the contribution to the region prior to the new fiscal year.

The bands and the department must agree on the accuracy of the information on which the funding arrangement is to be based, and for the delivery of services to bands.

INAC regional officers will annually:

- (a) verify that the band council has maintained its eligibility for funding and apply the formula in Annex 4;
- (b) determine the availability of funding within the regional allocation;
- (c) enter into a funding arrangement with the band council;
- d) provide a band council which ceases to be eligible with a written statement explaining which criteria must be met; and
- (e) update the national database and report to Headquarters in accordance with the instructions for the maintenance of the Funding to Band Government Database.

Dispute Resolution

Disputes regarding the accuracy of stated populations will be adjudicated by the Regional Director General.

Disputes regarding the application of policy or formulae will be adjudicated by, in the first instance, the Regional Director General. If a satisfactory resolution is not achieved, the matter must be referred to the Director General, Governance, at headquarters.

Annex 4

Tables and Explanatory Notes for the Application of Band Advisory Services Funding

A. Band Advisory Services (BAS) Funding Tables and Explanatory Notes

BAS funding is based on three calculation tables, as described below.

Funding for BAS is based upon a formula that takes into account population size in 1,000 person increments. It provides a minimum of 1.5 “advisory units” for an unaffiliated band with an on-reserve population between 2,000 and 2,999; with 0.5 advisory units added for each additional 1,000 residents as per the following table :

Table 1
BAS Units Population Variables

Band On-Reserve Population	Advisory Units
2 000 - 2 999	1.5
3 000 - 3 999	2
4 000 - 4 999	2.5
5 000 - 5 999	3
6 000 - 6 999	3.5
7 000 - 7 999	4
8 000 - 8 999	4.5
9 000 - 10 000	5
10 001 and more / et plus	5

Advisory units are funded at the same rate as for tribal councils. Using the set rates in the following “Advisory Units Variables” table (Table 2), the salary and travel funding related to each band advisory position is multiplied by the number of advisory units determined by population in the “BAS Units Population Variables” table (Table 1) above. A remoteness factor is added based on an adjustment to the travel funding amount using the “Remoteness and Environmental Indices” table (Table 3) below. Table 3 classifies bands according to a remoteness factor (zone) determined by a band’s distance from the nearest service centre, and an environmental factor based on geographic latitude (index).

Table 2

Advisory Units Variables

Total Advisory Units = Number of Remote Band Advisors + Number of Urban Band Advisors

Remote Zone	Remote Zone Advisors per First Nation	Urban Zone Advisors per First Nation	Sub-Community Factor	Salary (\$)	Travel (\$)	Sub-Community Population	Large Band Population
>= 3	1	0.7143	0.6	46 218	5 463	200	2 000

Table 3

Remoteness and Environmental Indices (Source: Band Classification Manual)

Band Classification	Remoteness Index						Environmental Index					
	A	B	C	D	E	F	A	B	C	D	E	F
(Zone 1)	0	0	0.1	0.2	0.3	0.3	0	0.4	0.6	1	1.3	1.6
(Zone 2)	0.1	0.2	0.2	0.3	0.4	0.4	0	0.4	0.6	1	1.3	1.6
(Zone 3)	0.4	0.5	0.5	0.6	0.7	0.7	0	0.5	0.7	1.1	1.4	1.7
(Zone 4) Special Access (S.A.)												
Sub-Zones: 0	0.1	0.2	0.2	0.3	0.4	0.6	0	0.4	0.6	1	1.3	1.6
1	0.4	0.5	0.5	0.6	0.7	0.7	0.2	0.7	0.9	1.4	1.8	2.1
2	0.5	0.6	0.6	0.7	0.8	0.9	0.4	1	1.2	1.8	2.2	2.6
3	0.7	0.8	0.8	1	1	1.1	0.6	1.2	1.6	2.2	2.7	3.2
4	0.8	0.9	1	1	1.2	1.3	0.8	1.5	1.9	2.6	3.2	3.7
5	1	1.1	1.2	1.4	1.4	1.5	1	1.8	2.2	3	3.6	4.2
6	1.1	1.3	1.4	1.7	1.8	1.9	1.2	2.1	2.5	3.4	4.1	4.7

Select the classification of the band in the left hand column and read across to appropriate columns to determine **Remoteness** and **Environmental** indices.

Example : Band Classification is S.A. 4-B-3.
Remoteness index is 0.75
Environmental index is 1.24

Illustrative Examples

Example 1: Band "A"

On-reserve population = 2,871 (from Indian registry)
Geographic Index = 2-B (i.e. Zone "2", Environmental Index "B" from Band Classification Manual)

Advisory Units (AU) = 1.5 (from Table 1)
Salary-related funding = \$46,218 (from Table 2) x 1.5AU = \$69,327.00
Travel-related funding = \$5,463 (from Table 2) x 1.5AU = \$8,194.50
Remoteness Factor funding = \$8,194.50 x 0.18 (from Table 3) = \$1,475.01

Total BAS Funding = Salary-related funding + Travel-related funding + Remoteness Factor funding = \$69,327 + \$8,194.50 + \$1,475.01 = \$78,996.51 = \$78,997 (rounded)

Example 2: Band "B"

On-reserve population = 4,164 (from Indian registry)
Geographic Index = 1-C (i.e. Zone "1", Environmental Index "C" from Band Classification Manual)

Advisory Units (AU) = 2.5 (from Table 1)
Salary-related funding = \$46,218 (from Table 2) x 2.5AU = \$115,545.00
Travel-related funding = \$5,463 (from Table 2) x 2.5AU = \$13,657.50
Remoteness Factor funding = \$13,657.50 x 0.12 (from Table 3) = \$1,638.90

Total BAS Funding = Salary-related funding + Travel-related funding + Remoteness Factor funding = \$115,545.00 + \$13,657.50 + \$1,638.90 = \$130,841.40 = \$130,841 (rounded)

B. BAS: Associated Overhead Costs Funding Tables and Explanatory Notes

The overhead costs associated with *Band Advisory Services* (BAS) are provided through the Band Support Funding (BSF) program. This is accomplished by including the amount of BAS funding and the associated Advisory Units, as determined by the BAS funding formula, in the BSF formula calculation. These amounts are added to the Basic Services section of the BSF Service Profile, thus increasing the Total Basic Services funding and person-year (PY) totals which are elements of the BSF formula.

The revised totals effect the calculations derived from the Basic Overhead (Tables 4 to 9) and Service Staff (Table 10) tables utilized in applying the BSF formula. These tables are presented below. It is noted that these tables are the ones in use for the 2004-2005 fiscal year, not the updated tables approved by Treasury Board on October 18, 2004 to come into effect on April 1, 2005 (TB Decision). The effect of the calculation, using the increased funding and PY amounts, is to increase the overall BSF level from what it

would have been had these amounts not been included. The increase represents the additional overhead included in a large, unaffiliated band's BSF level to account for the increased overhead costs associated with the receipt of BAS funding.

The components of the BSF formula variables calculation that are most effected by the inclusion of BAS funding and Advisory Units amounts are Basic Overhead and Service Staff. Also effected, but to a lesser degree, are the Remoteness Factor, the Environmental Factor and the Audit and Professional component. The latter three are effected because the total Basic Services amount is used as a factor in their calculation and that amount is increased by the inclusion of BAS funding and Advisory Unit amounts. The Council Component, Federal/Provincial Agreements and Income Support Administration components of the calculation are unaffected.

Examples to illustrate the additional overhead costs associated with BAS funding which is provided through BSF are provided in the next section following the tables.

Table 4

Basic Overhead - Program Range : Up to \$67,158

Status Members : On-Reserve Population		Cost Sensitive (\$)	Non-Cost Sensitive (\$)	Total funding (\$)
Lower	Upper	Calculated value> Base amount \$10,000 Factor 0.35 Max amount \$32,000 CS Fraction 0.37		
0	99	Calculated value> Base amount \$10,000 Factor 0.35 Max amount \$32,000 CS Fraction 0.37		
100	199	Calculated value> Base amount \$10,000 Factor 0.35 Max amount \$32,000 CS Fraction 0.37		
200	299	Calculated value> Base amount \$10,000 Factor 0.35 Max amount \$32,000 CS Fraction 0.37		
300	399	12 318	22 732	35 050
400	499	12 664	23 372	36 036
500	599	13 011	24 011	37 022
600	699	13 357	24 650	38 007
700	799	13 704	25 291	38 995
800	899	14 050	25 930	39 980
900	999	14 396	26 569	40 965
1000	1 099	14 743	27 208	41 951
1 100	1 199	15 090	27 849	42 939
1 200	1 299	15 436	28 488	43 924
1 300	1 399	15 783	29 127	44 910
1 400	1 499	16 130	29 766	45 896
1 500	1 599	16 476	30 407	46 883
1 600	1 699	16 823	31 046	47 869
1 700	1 799	17 169	31 685	48 854
1 800	1 899	17 515	32 324	49 839
1 900	1 999	17 862	32 965	50 827
2 000	2 099	18 208	33 604	51 812
2 100	2 199	18 555	34 243	52 798
2 200 and over : Increment for every additional 100		347	639	986

Table 5

Basic Overhead - Program Range Between \$67,159 and \$269,698

Status Members : On-Reserve Population		Cost Sensitive (\$)	Non-Cost Sensitive (\$)	Total Funding (\$)
Lower	Upper	.	.	.
0	99	10 112	26 641	36 753
100	199	11 679	30 769	42 448
200	299	13 236	34 871	48 107
300	399	16 075	40 522	56 597
400	499	16 892	42 577	59 469
500	599	17 708	44 634	62 342
600	699	18 523	46 690	65 213
700	799	19 340	48 746	68 086
800	899	20 156	50 802	70 958
900	999	20 971	52 858	73 829
1000	1 099	21 787	54 914	76 701
1 100	1 199	22 603	56 971	79 574
1 200	1 299	23 419	59 026	82 445
1 300	1 399	24 235	61 082	85 317
1 400	1 499	25 051	63 139	88 190
1 500	1 599	25 867	65 195	91 062
1 600	1 699	26 682	67 250	93 932
1 700	1 799	27 499	69 307	96 806
1 800	1 899	28 315	71 363	99 678
1 900	1 999	29 130	73 419	102 549
2 000	2 099	29 947	75 475	105 422
2 100	2 199	30 762	77 531	108 293
2 200 and over : Increment for every additional 100		816	2 056	2 872

Table 6**Basic Overhead - Program Range Between \$269,699 and \$675,844**

Status Members : On-Reserve Population		Cost Sensitive (\$)	Non-Cost Sensitive (\$)	Total Funding (\$)
Lower	Upper	.	.	.
0	99	9 070	27 682	36 752
100	199	12 761	38 944	51 705
200	299	15 672	47 784	63 456
300	399	19 347	58 993	78 340
400	499	20 056	61 155	81 211
500	599	20 764	63 316	84 080
600	699	21 473	65 477	86 950
700	799	22 182	67 638	89 820
800	899	22 891	69 799	92 690
900	999	23 599	71 960	95 559
1 000	1 099	24 308	74 122	98 430
1 100	1 199	25 018	76 282	101 300
1 200	1 299	25 726	78 443	104 169
1 300	1 399	26 435	80 605	107 040
1 400	1 499	27 143	82 766	109 909
1 500	1 599	27 853	84 926	112 779
1 600	1 699	28 561	87 088	115 649
1 700	1 799	29 270	89 249	118 519
1 800	1 899	29 978	91 410	121 388
1 900	1 999	30 688	93 571	124 259
2 000	2 099	31 397	95 732	127 129
2 100	2 199	32 105	97 893	129 998
2 200 and over : Increment for every additional 100		709	2 161	2 870

Table 7**Basic Overhead - Program Range Between \$675,845 and \$1,350,622**

Status Members : On-Reserve Population		Cost Sensitive (\$)	Non-Cost Sensitive (\$)	Total Funding (\$)
Lower	Upper			
0	99	9 077	27 676	36 753
100	199	13 683	41 579	55 262
200	299	18 401	55 918	74 319
300	399	23 591	71 688	95 279
400	499	24 239	73 911	98 150
500	599	24 948	76 071	101 109
600	699	25 657	78 232	103 889
700	799	26 365	80 394	106 759
800	899	27 074	82 555	109 629
900	999	27 783	84 715	112 498
1 000	1 099	28 492	86 877	115 369
1 100	1 199	29 201	89 038	118 239
1 200	1 299	29 909	91 198	121 107
1 300	1 399	30 619	93 360	123 979
1 400	1 499	31 327	95 521	126 848
1 500	1 599	32 036	97 682	129 718
1 600	1 699	32 744	99 843	132 587
1 700	1 799	33 454	102 004	135 458
1 800	1 899	34 162	104 165	138 327
1 900	1 999	34 871	106 327	141 198
2 000	2 099	35 580	108 487	144 067
2 100	2 199	36 289	110 648	146 937
2 200 and over : Increment for every additional 100		709	2 161	2 870

Table 8

Basic Overhead - Program Range Between \$1,350,623 and \$2,701,244

Status Members : On-Reserve Population		Cost Sensitive (\$)	Non-Cost Sensitive (\$)	Total Funding (\$)
Lower	Upper			
0	99	9077	27 676	36 753
100	199	16 039	51 094	67 133
200	299	24 059	76 640	100 699
300	399	32 078	102 187	134 265
400	499	32 761	104 362	137 123
500	599	33 443	106 537	139 980
600	699	34 126	108 711	142 837
700	799	34 808	110 886	145 694
800	899	35 491	113 061	148 552
900	999	36 173	115 235	151 408
1 000	1 099	36 856	117 410	154 266
1 100	1 199	37 538	119 584	157 122
1 200	1 299	38 221	121 760	159 981
1 300	1 399	38 903	123 934	162 837
1 400	1 499	39 586	126 109	165 695
1 500	1 599	40 268	128 284	168 552
1 600	1 699	40 951	130 458	171 409
1 700	1 799	41 633	132 633	174 266
1 800	1 899	42 316	134 807	177 123
1 900	1 999	42 998	136 982	179 980
2 000	2 099	43 681	139 158	182 839
2 100	2 199	44 364	141 332	185 696
2 200 and over : Increment for every additional 100		682	2 174	2 856

Table 9

Basic Overhead - Program Range: Equal or Greater than \$2,701,245

Status Members : On-Reserve Population		Logarithmic		Population	
Lower	Upper	Factor	Exponent	Factor	Adjustment (\$)
0	99	0.001030052	7	1	0
100	199	0.001030052	7	0.5	0
200	299	0.001030052	7	0.75	0
300	399	0.001030052	7	1	0
400	499	0.001030052	7	1	2 684
500	599	0.001030052	7	1	5 368
600	699	0.001030052	7	1	8 052
700	799	0.001030052	7	1	10 736
800	899	0.001030052	7	1	13 420
900	999	0.001030052	7	1	15 104
1 000	1099	0.001030052	7	1	18 788
1 100	1199	0.001030052	7	1	21 472
1 200	1299	0.001030052	7	1	24 156
1 300 and over / 1 300 et plus		0.001030052	7	1	26 840

Cost Sensitive Fraction = 0.2389

NOTE: BSF for bands with over the minimum threshold in Basic Services is established by a logarithmic formula built into the program.

Formula for Indian Government Support System:
 $(0.0010300519 \times \text{LN}(\text{BS} \times 0.7)) + ((\text{POP}/100 - 3) \times 2,684)$

Legend:

LN = Logarithm Natural

BS = Basic Services

POP = Population

Table 10

Service Staff

Cost Sensitive (per employee) (\$)	Non-Cost Sensitive (per employee) (\$)
3 652	1 217

This table applies to band employees whose salaries are funded by INAC and who are provided office space by the band.

Total Funding = Number of PY's x Cost Sensitive Funding + Number of PYs x Non-Cost Sensitive Funding.

Illustrative Examples

The following two examples use the information and data from the same bands "A" and "B" used in the examples used to illustrate the BAS funding formula calculation in the first section of this Annex.

Example 1: Band "A"

On-reserve population = 2,871 (from Indian Registry)

Geographic Index = 2-B (i.e. Zone "2", Environmental Index "B" from Band Classification Manual)

Advisory Units (AU) = 1.5

Total Band Advisory Services Funding = \$78,997

Relevant information from the BSF Service Profile:

- Basic Services Total without BAS funding amount = \$14,599,827
- Basic Services Total with BAS funding amount = \$14,599,827 + \$78,997 = \$14,678,824
- Basic Services PY total without BAS Advisory Units = 22.5
- Basic Services PY total with BAS Advisory Units = 22.5 + 1.5 = 24.0

BSF formula variables calculation with and without BAS amounts:

Band Support Funding	Total with Band Support Funding (\$)	Total without Band Support Funding (\$)
Council Component	97 396	97 396
Basic Overhead	424 817	424 032
Remoteness Factor	21 760	21 728
Federal/Provincial Agreements	N/A	N/A
Income Support Administration	19 893	19 893
Service Staff	142 080	133 200
Environmental Factor	42 624	39 960
Audit and Professional	96 479	96 023
Maximum BSF	845 049	832 232

BSF overhead costs attributable to BAS funding = \$845,049 - \$832,232 = \$12,817

Example 2: Band "B"

On-reserve population = 4,164 (from Indian registry)

Geographic Index = 1-C (i.e. Zone "1", Environmental Index "C" from Band Classification Manual)

Advisory Units (AU) = 2.5

Total Band Advisory Services Funding = \$130,841

Relevant information from the *Band Support Funding Service Profile* :

- Basic Services Total without BAS funding amount = \$13,872,026
- Basic Services Total with BAS funding amount = \$13,872,026 + \$130,841 = \$14,002,867
- Basic Services PY total without BAS Advisory Units = 21.5
- Basic Services PY total with BAS Advisory Units = 21.5 + 2.5 = 24.0

BSF formula variables calculation with and without BAS amounts:

Band Support Funding	Total with BAS Funding (\$)	Total without BAS Funding (\$)
Council Component	97 396	97 396
Basic Overhead	460 430	459 089
Remoteness Factor	15 473	15 436
Federal/Provincial Agreements	N/A	N/A
Income Support Administration	65 529	65 529
Service Staff	142 080	127 280
Environmental Factor	63 936	57 276
Audit and Professional	106 079	105 310
Maximum BSF	947 923	924 316

BSF overhead costs attributable to BAS funding = \$947,923 - \$924,316 = \$23,607

Annex 5

Frequently Asked Questions

Is the *Band Advisory Services* program related to the *Band Support Funding* and *Tribal Council Funding* programs?

Yes, the determination of the funding level of the *Band Advisory Services* program is associated with the funding formulas of both the *Band Support Funding* and the *Tribal Council Funding* programs.

The overhead costs associated with *Band Advisory Services* are provided through the *Band Support Funding* program. This is accomplished by including the amount of *Band Advisory Services* funding and the associated “advisory units,” as determined by the *Band Advisory Services* funding formula, in the *Band Support Funding* formula calculation. These amounts are added to the Basic Services section of the *Band Support Funding* Service Profile, thus increasing the Total Basic Services funding and Person-Year totals which are elements of the *Band Support Funding* formula.

Funding for *Band Advisory Services* is based upon a formula that takes into account population size in 1,000 person increments. It provides a minimum of 1.5 “advisory units” for an unaffiliated band with an on-reserve population between 2,000 and 2,999; with 0.5 advisory units added for each additional 1,000 residents. Advisory units are funded at the same rate as for tribal councils, thus establishing a link between the two programs’ funding formulas.

When will the *Band Advisory Services* program be modernized?

Some work was done in 2004 to determine some of the issues which will require examination towards developing a proposal for a modernized national program for funding large unaffiliated First Nations. The department completed a formal evaluation of the program in 2004. Treasury Board has approved a program funding authority to continue the *Band Advisory Services* program without any changes to the program’s terms and conditions for three years from April 1, 2005 to March 31, 2008. During this period, the department will be taking action to address the evaluation findings including proposed program renewal options by:

- developing discussion papers and a consultation strategy jointly with its First Nation partners for program renewal;
- undertaking consultations with First Nations and other stakeholders;
- presenting proposed options for program renewal to the Minister; and
- implementing a renewed program by April 1, 2008.

Can a First Nation receive *Band Advisory Services* program funding under a Self-Government agreement?

No. When a large, unaffiliated First Nation receiving *Band Advisory Services* program funding enters into a self-government agreement, the portion of the *Band Advisory Services* program funding previously provided to the First Nation is re-directed to the First Nation as part of the funding associated with its self-government agreement. The self-governing First Nation can then continue buying its own advisory services from a tribal council or from any other organization it chooses, or develop an internal capacity to do so.

Does a First Nation receiving *Band Advisory Services* have to provide all of the five advisory services every year?

A First Nation receiving *Band Advisory Services* is responsible for the delivery of the five advisory services. That means that these advisory services, if needed, have to be provided or purchased by the First Nation. If there is no need for one or more of the advisory services, the First Nation does not have to provide the service(s). As specified in the *Band Advisory Services* program application form, the First Nation should no longer consider INAC to be responsible for providing advisory services in any of the five functional areas.

Annex 6

Related Internet Links

Audit of the Tribal Council Funding (March 1997)
http://www.ainc-inac.gc.ca/pr/pub/ae/au/94-23_e.html

Band Advisory Services Funding Application
http://ainc-inac.gc.ca/frm/pdf/80-061_e.pdf

Canada/First Nations Funding Agreement National Model for use with First Nations and Tribal Councils for 2005-2006
http://www.ainc-inac.gc.ca/pr/pub/cana_e.html

Comprehensive Funding Arrangement National Model for use with First Nations and Tribal Councils for 2005-2006
http://www.ainc-inac.gc.ca/pr/pub/compfn_e.pdf

Comprehensive Funding Arrangement National Model for use with Recipients other than First Nations and Tribal Councils for 2005-2006
http://www.ainc-inac.gc.ca/pr/pub/compnmr_e.html

Conflict of Interest and Post Employment Code for Public Office Holders
http://www.tbs-sct.gc.ca/pubs_pol/hrpubs/mg-ldm/gfmo_e.asp

Conflict of Interest and Post-Employment Code for the Public Service
http://www.tbs-sct.gc.ca/archives/hrpubs/tb_851/cip_e.asp

Departmental Performance Report (DPR) 2003-2004)
http://www.ainc-inac.gc.ca/pr/est/index_e.html

DIAND/First Nations Funding Agreement National Model for use with First Nations and Tribal Councils for 2005-2006
http://www.ainc-inac.gc.ca/pr/pub/fundi_e.html

Eligible Unaffiliated Large Band Advisory Services Annual Report
http://www.ainc-inac.gc.ca/pr/pub/fnnrg/2005/fnnrg_e.pdf

Evaluation of the Band Support Funding Program (2003)
http://www.ainc-inac.gc.ca/pr/pub/ae/ev/01-23_e.html

Evaluation of the Tribal Council Funding and the Band Advisory Services Program (2004)
http://www.ainc-inac.gc.ca/pr/pub/ae/ev/03-05/03-05_e.pdf

First Nations National Reporting Guide (FNNRG)
http://www.ainc-inac.gc.ca/pr/pub/fnnrg/index_e.html

First Nations Profiles
http://sdiprod2.inac.gc.ca/FNProfiles/FNProfiles_home.htm

Indian Government Support Forms
http://ainc-inac.gc.ca/frm/pgd_e.html

Report on Plans and Priorities (RPP) 2004-2005
http://www.ainc-inac.gc.ca/pr/est/index_e.html

The Indian Act
<http://laws.justice.gc.ca/en/i-5/74596.html>

Treasury Board Secretariat Transfer Payments Policy (2000)
http://www.tbs-sct.gc.ca/pubs_pol/dcgpubs/TBM_142/ptp_e.asp

Tribal Council Funding Program Policy (2005)

Tribal Council Funding Program Policy Evaluation (June 1997)
http://www.ainc-inac.gc.ca/pr/pub/ae/au/94-23_e.html

Values and Ethics Code for the Public Service
http://www.tbs-sct.gc.ca/pubs_pol/hrpubs/tb_851/vec-cve1_e.asp

Year-End Reporting Handbook for First Nations, Tribal Councils and First Nation
Political Organizations
http://www.ainc-inac.gc.ca/pr/pub/yrh/yrh01_e.html