

Tribal Council Funding Program Policy

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Authority

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

Program Overview

The policy on Indian Tribal Councils has been in existence since 1984. A tribal council, for the purpose of the *Tribal Council Funding* program, is defined as a grouping of bands with common interests who voluntarily join together to provide advisory and or program services to affiliated bands. In order to be funded under the *Tribal Council Funding* program, tribal councils must agree to take on responsibility for all five advisory services previously provided directly by INAC personnel primarily through district offices. Advisory services are defined as the provision to member bands of specific knowledge, expertise and/or assistance in the following fields: band government, financial management, community planning, technical services and economic development.

Tribal Council Funding consists of two main components. The first one, advisory service funding, calculates the amount of support provided to tribal councils for the delivery of advisory services to affiliated bands. The second component, tribal council administration, provides support to cover the core administration and management costs associated with operating a regional administrative organization.

Eligibility for *Tribal Council Funding* is based on the receipt of an acceptable application due by April 1st of each year. The budget is set at the start of each tribal council's funding arrangement and may be adjusted during the life of the arrangement. Regions submit *Tribal Council Funding* program 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. Tribal councils submit annual reports describing their use of *Tribal Council 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 *Tribal Council Funding*.

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

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

Objectives and Results

Tribal councils are linked to the Government pillar in the INAC Results Framework. The Government pillar's strategic outcome of fostering effective institutions is being realized in tribal councils, which have allowed for the transfer of responsibility for the delivery of INAC funded programs and services to band control. They are mandated and well populated by bands, culturally appropriate and support the increased self-reliance of band communities.

The objective of the *Tribal Council Funding* program is to provide core funding to tribal councils for the aggregated delivery of programs and services to affiliated bands. The funding is for the management and administration of tribal councils as well as for the delivery of advisory services and programs to affiliated bands. *Tribal Council Funding* contributes to the goal of increased self-reliance as it provides a mechanism by which bands can aggregate to more effectively deliver programs and services formerly delivered by INAC.

Tribal councils are emerging as a band-driven public service component of the band governance structure. They are clearly Indian regional governance bodies that have become a recognized point of band contact for governments, corporations, organizations and individuals.

Eligible Recipients

Tribal councils are eligible for *Tribal Council Funding* when they have been clearly mandated by councils of member bands and agree to take on responsibility for all five advisory services for which funding is provided. They must also be accountable to member bands through representation of each band in decision making and ongoing review of service delivery. Tribal councils must be incorporated in order to receive contribution funding.

In addition to the above eligibility criteria, tribal councils would normally have a minimum of five affiliated bands to receive *Tribal Council Funding*. Exceptions may be granted by the Deputy Minister if the member band councils are able to satisfy the department that there exists a valid social, cultural, geographic or economic reason which would justify the formation of a tribal council with less than five affiliated bands.

Under the *Alternative Funding Arrangement* Block Funding:

Eligible recipients for *Alternative Funding Arrangement* are tribal councils which are mandated by band councils to represent their communities.

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 are expected to be received. The maximum level of total government assistance will not exceed 100 percent 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

When a recipient hires staff or contracts with a consultant to work on *Indian Government program* and the employee or consultant is a former public office holders he or she 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 contains the data used in the formula to establish the funding level and therefore must be reviewed for comparison with departmental records and approved by the regional office. The application form must be a document separate from the funding arrangement and must not be incorporated into the text of the arrangement.

In order to continue to receive contribution funding under the *Tribal Council Funding* program, the eligible recipient will provide the department with:

- an annual program report which includes the necessary information, as specified by the department, sufficient to verify adherence to program terms and conditions and demonstrate results (see Annex 6, link to Indian Government Support Forms); 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 *Alternative Funding Arrangements* are set out in the *Alternative Funding Arrangement* terms and conditions. Once a recipient has met specific *Alternative Funding Arrangement* eligibility criteria, the application requirements of *Tribal Council Funding* 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.

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 *Tribal Council Funding* 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 member bands in a broad range of government activities, financial services, economic development areas, community planning activities and technical service activities. The 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 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.

- 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 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.

Administration funding is provided to tribal councils for the delivery of departmentally funded basic services to affiliated bands (i.e. lands and trusts, education, economic development, social development, infrastructure, minor capital and housing, band government and advisory services). Eligible expenditures include the cost of performing general management and the administration of collective activities. These include: coordinating regular meetings of tribal chiefs; managing the delivery of all services provided by the tribal council; maintaining a central office; and facilitating communication between member communities.

Annex 4 presents the tables for the calculation of *Tribal Council 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 for *Tribal Council Funding* is determined by the *Tribal Council Funding* formula.

In addition to normal financial terms and conditions, funding arrangements must contain a statement that the band council(s) no longer consider(s) 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

INAC may hold back up to 20 % of the funding allocated for this service, until the recipient submits final and acceptable financial audit and other reports according to the requirements set out in the contribution arrangement.

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 successive months commencing in May and ending in January of each fiscal year.

Funding Level Changes

Recipients are advised through program literature 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 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. However, 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 tribal 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 tribal 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:

- (ia) multi-year funding under the *Alternative Funding Arrangement* funding authority;
- (ib) 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 with eligible recipients for specific programs or projects which require significant interaction. 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.

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 a band and/or tribal council, including:

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

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

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: A grouping of bands with common interests who voluntarily join together to provide advisory and/or program services to affiliated 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

1. Responsibilities

Roles and Responsibilities of INAC

The Director General, Governance, is responsible for the overall administration of the *Tribal Council Funding* 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 *Tribal Council Funding* 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 tribal council 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 to bands.

Roles and Responsibilities of Tribal Councils and Member Bands

The relationship between tribal councils and their member bands and their respective roles and responsibilities are defined by the following:

- (a) the band council is the primary unit of the band government;
- (b) tribal councils are to be established and maintained as a result of band initiatives - roles and responsibilities and level and standards of service are to be established and documented on a continuing basis with member bands;
- (c) tribal councils must be primarily accountable to their member bands, be represented on the Board of Directors and have an opportunity to review work plans, budgets and audit reports;

- (d) tribal councils must be incorporated;
- (e) to be funded, tribal councils must agree to take on responsibility for advisory services in all five fields - members will not consider INAC to be responsible for providing any of the five advisory services;
- (f) periodic reviews of program effectiveness by member bands are required; and
- (g) tribal councils are not district liaison councils, political bodies or single service agencies.

These roles and responsibilities impose a duty of stewardship on the part of the tribal council Board of Directors, and a corresponding responsibility on Board Members to provide information to member bands 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 the appointment of senior personnel;
- (d) effective communications with member bands 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.

2. Procedures

New Tribal Council Formation

To form a new tribal council, bands will:

- (a) prepare a statement of mandate supported by a documented resolution of each council which specifies the departmentally funded services to be provided;
- (b) apply to the department's regional or district office to determine eligibility for funding;
- (c) if required, apply for one-time organizational development funding. No funding will be made available for the purposes of reorganizing an existing tribal council. Bands which have already taken advantage of the start-up funding will not be assisted again for organizational development; and

- (d) provide the department with the documented specific mandate and articles of incorporation.

INAC regional officers will:

- (a) determine eligibility for funding by verifying that the eligibility criteria have been met;
- (b) provide those tribal councils which do not meet eligibility criteria with a written statement explaining which criteria were not met, and at the bands' request, work with the bands to meet all criteria in accordance with regional procedures;
- (c) make application to support the tribal council to the appropriate Headquarters authority;
- (d) transfer the grant for one-time organizational development once the application is approved and funds are available; and
- (e) negotiate a funding arrangement with the tribal council in accordance with the applicable formula and available funds.

Existing Tribal Councils

INAC regional officers will annually:

- (a) verify that the1 tribal 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 tribal council;
- (d) provide a tribal council which ceases to be eligible with a written statement explaining which criteria have not been met and, at the request of the bands, assist them to meet the specified criteria; and
- (e) update the national database and report to Headquarters in accordance with the instructions for the maintenance of the Indian Government Support System (IGSS) Database.

Membership and Service Changes

Membership Changes: In the event of bands disassociating from a tribal council, or new bands becoming affiliated with a tribal council, the department must be provided with 12 months notice, after which the maximum funding level will be determined by application of the approved formula to the new organization.

Changes in Services: As they consider a change in the services being provided, tribal councils must provide at least six months notice to the department of their intent to provide additional services or to drop others, so the department can plan its budget accordingly.

Dispute Resolution

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

Disputes regarding the application of policy or formulae will be adjudicated, in the first instance, by 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 for the Application of Tribal Council Funding

Table 1(a)

Advisory Units Variables*

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

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

*Determines the number of advisory units and is based on the number of bands and their geographic location.

The base formula for calculating advisory services gives urban/rural tribal councils five advisory units for every seven bands and one unit per band for remote/special access tribal councils. Adjustments are then made to the base according to the average on-reserve population of the bands as per the following table:

Average On-reserve* Band Population	Funding Level
1 - 99	Base formula / Formule de base x 0.8
100 - 199	Base formula / Formule de base x 0.9
200 - 699	Base formula / Formule de base x 1.0
700 +	Base formula / Formule de base x 1.2

*Based on the population counts in the Indian Registry System.

In addition, any tribal council which has one or more member bands with an on-reserve population of 2000+ is eligible to receive additional advisory units as per the following table:

Band Population On-Reserve	Additional Advisory Units
2 000 - 2 999	1.5
3 000 - 3 999	2
4 000 - 4 999	2.5
5 000 - 5 999	3

For every additional 1,000 band members for an on-reserve population of over 5,999, the advisory unit will be increased by .5 to a maximum of 10,000 band(s) member(s) on-reserve population. Furthermore, sub-communities will be counted as if they are bands in their own right, but maximum budgets for advisory services will be 60 % of the normal formula value.

Table 1(b)

Non-Land Communities Advisory Units Variables*

Total Advisory Units = (Number of Remote Band Advisors + Number of Urban Band Advisors) x Factor

Basic Services (\$)	Factor
Up to / Jusqu'à 100 000	0.4
Over / Plus de 100 000	0.6

*Determines the number of advisory units for bands without reserve land and is based on the value of their Basic Services and their geographic location.

Table 2

Tribal Council Administration*

Formula rates

Funding Levels (\$)		Cost Sensitive	Non-Cost Sensitive	Total
Lower	Upper	Minimum Funding: Factor .350000 of Maximum Amount Cost Sensitive Fraction: 0.20		
	213 823			
213 824	678 480	16 317	64 710	81 027
678 481	1 354 904	17 443	88 344	105 787
1 354 905	2 708 780	17 443	128 859	146 302
2 708 781	4 276 480	23 069	155 868	178 937
4 276 481	6 414 720	23 069	190 755	213 824
6 414 721	9 622 080	28 697	259 967	288 664
9 622 081	13 898 560	32 635	282 476	315 111
13 898 561	999 999 999	34 887	328 054	362 941

*Determines the value of administrative funding for program delivery (i.e. management and supplementary office costs).

Total Funding = Standard Funding + Minimum Funding + Incremental Funding

- < Standard Funding: = Cost Sensitive + Non-Cost Sensitive
- < Minimum Funding: Total = Minimum of (Maximum, factor x Basic Services + Base Amount)
 Cost Sensitive = Total x Cost Sensitive Fraction (i.e. 0.20)
 Non-Cost Sensitive = Total - Cost Sensitive
- < Incremental Funding: Cost Sensitive = Cost Sensitive Increment + Cost Sensitive Start for every Population Increment greater than Residents Upper Limit

 Non-Cost Sensitive = Non-Cost Sensitive Increment + Non-Cost Sensitive Start for every Population Increment greater than Residents Upper Limit

This component of the funding formula is for the management and administration of tribal council services. It is based on the following six elements:

- general management, which is basically the cost of having meetings;
- basic administration, which is driven by the value of the programs delivered;
- service staff, which is driven by person-years for services funded by INAC;
- major service delivery, which provides additional funds if there are federal/provincial/territorial agreements and income support and major capital programs are delivered;
- audit costs; and
- supplementary travel.

Table 3

Audit and Professional Funding Variables*

Geographic Zone	Base Amount (\$)	Factor	Offset (\$)	Approved Funding Adjustment (\$)
1	2 000	0.005	0	2 000
2	2 000	0.005	0	2 000
3	3 000	0.005	1 000	2 000
4	3 000	0.005	1 000	2 000

*Determines the cost provided to tribal councils for professional financial services and for the preparation of their annual audit (note: accounting costs are not included).

Table 4

Federal/Territorial/Provincial/Municipal Agreements Funding Variables*

Value of Agreement (\$)	Funding per Agreement (\$)
Up to / Jusqu'à 10 000	228
10 000 to 50 000	573
Over / Plus de 50 000	1 148

*Determines level of funding based on number of agreements and level of funding per agreement.

Table 5

Income Support Administration*

Monthly Income Support Funding per Case Month (\$)	Semi-monthly Income Support Funding per Case Month (\$)
29	57

*Determines the level of funding for social assistance administration based on the number monthly support funding cases and the number of semi-monthly cases.

Table 6

Service Staff*

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

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

Total Funding = (Number of PYs x Cost Sensitive Funding) + (Number of PYs x Non-Cost Sensitive Funding)

Tribal councils delivering over \$213,823 of basic services, including advisory services, may be provided with a contribution sufficient to enable one representative from each band to attend a full one-day meeting per month at the tribal council office.

Funding in the form of a one-time grant of \$10,000 may be provided to assist with the organizational development and incorporation of a new tribal council once a preliminary mandate has been defined by the prospective member band councils.

Table 7

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
Derivations												
(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	0.2	0.2	0.3	0.4	0.4	0	0.4	0.6	1	1.3	1.6
(Zone 3)	0	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	0.2	0.2	0.3	0.4	0.6	0	0.4	0.6	1	1.3	1.6
1	0	0.5	0.5	0.6	0.7	0.7	0.2	0.7	0.9	1.4	1.8	2.1
2	0	0.6	0.6	0.7	0.8	0.9	0.4	1	1.2	1.8	2.2	2.6
3	1	0.8	0.8	1	1	1.1	0.6	1.2	1.6	2.2	2.7	3.2
4	1	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	1.3	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 / Exemple : Band Classification is S.A. 4-B-3.
Remoteness index is 0.75
Environmental index is 1.24

Annex 5

Frequently Asked Questions

What happens when a tribal council assumes management and delivery of INAC-funded programs and services on behalf of affiliated bands?

When a tribal council assumes management and delivery of INAC-funded programs and services (e.g. education or social development) on behalf of affiliated bands, administration cost elements in the *Tribal Council Funding* program funding formula (e.g. person-year costs and income support administration costs) increase to reflect the additional responsibilities and workload. Since affiliated bands no longer directly administer the programs, the funding they receive through the *Band Support Funding* program funding formula (e.g. basic overhead, service staff, and income support administration costs) is reduced accordingly. In this way, the *Tribal Council Funding* and *Band Support Funding* program funding formulas are complementary to ensure that no duplication or overlap occurs.

When will the *Tribal Council Funding* program be modernized?

Considerable work was done in 2003 and 2004 in collaboration with a national group of tribal council and band representatives on developing a proposal for a modernized national program for funding tribal councils. The department also completed a formal evaluation of the program in 2004. Treasury Board has approved a program funding authority to continue the *Tribal Council Funding* 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 INAC 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 band partners for program renewal;
- < undertaking consultations with bands and other stakeholders;
- < presenting proposed options for program renewal to the Minister; and
- < implementing a renewed program by April 1, 2008.

Can a Tribal Council receive program funding for an affiliated band under a Self-Government agreement?

No. When an affiliated band enters into a self-government agreement, the portion of the *Tribal Council Funding* program funding previously provided to the tribal council on behalf of that band is re-directed to the band as part of the funding associated with its self-government agreement. The self-governing band can then buy its own advisory services from a tribal council or from any other organization it chooses, or develop an

internal capacity to do so.

Can a tribal council flow the funding received from the *Tribal Council Funding* program to their affiliated bands so that the bands are able to acquire advisory services directly?

No. The objective of *Tribal Council Funding* program is to add value to the quality of the advisory services that an affiliated band could provide on its own and to provide these advisory services more economically and efficiently than an affiliated band could by itself. It would defeat the purpose of the *Tribal Council Funding* program to allow flow-through funding. In effect, flow-through funding would be no different than providing funds directly to bands whether or not they are affiliated with a tribal council.

Does a tribal council have to provide all of the five advisory services every year?

Tribal councils are responsible for the delivery of the five advisory services. That means that these advisory services have to be made available to their affiliated bands. If there is no request for one or more of the advisory services from an affiliated band, the tribal council does not have to provide the service(s). However, as stated in the *Tribal Council Funding* program funding arrangement, affiliated bands should no longer consider INAC to be responsible for providing advisory services in any of the five functional areas.

How can affiliated bands be assured they are receiving adequate advice from the services financed by INAC through their tribal council?

The level of satisfaction of affiliated bands with their tribal councils is related to their assessment of the quality of the services provided and the extent to which these services respond to their needs. Affiliated bands should assess the following factors: timeliness and responsiveness; trust, respect and cultural sensitivity; professionalism; fairness; accessibility; knowledge, expertise and competence of staff; and the commitment to service delivery of a tribal council to its affiliated bands. In order for tribal councils to be accountable to their affiliated bands, it is suggested that a set of measurable service delivery standards be developed which provide complete, accurate and timely information to affiliated bands. This would allow affiliated bands to actively monitor their tribal council's performance and assess whether they are receiving consistent, comparable, effective, economical and efficient services.

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

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 the Public Service
http://www.tbs-sct.gc.ca/archives/hrpubs/tb_851/CIP1-1E.asp#i

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

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

Evaluation of DIAND's Tribal Council Policy (June 1997)
http://www.ainc-inac.gc.ca/pr/pub/ae/ev/94-23_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 Profiles
http://sdiprod2.inac.gc.ca/FNProfiles/FNProfiles_home.htm

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

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

Report on Plans and Priorities (RPP) 2005-2006
http://www.ainc-inac.gc.ca/pr/est/index_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 Program Annual Report
http://www.ainc-inac.gc.ca/pr/pub/fnnrg/2005/fnnrg_e.pdf

Tribal Council Funding Application
http://ainc-inac.gc.ca/frm/pdf/80-060_e.pdf

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