

# Successful Management Under A Remedial Management Plan

February 21, 2006

# Successful Management Under A Remedial Management Plan – Session Goals

- Upon completion of this session it is our hope that we will have provided you with some insight and left you with a better understanding of how to successfully manage your First Nation while operating under a Remedial Management Plan (RMP)
- In addition we hope to have provided you with some useful tools to assist your First Nation when you find yourself under intervention

# Successful Management Under A Remedial Management Plan – Session Outline



- We will cover six main topics during today's presentation:
  1. What is a Remedial Management Plan (RMP)?
  2. Selecting the Right Co-Manager
  3. The Importance of Timely and Accurate Information
  4. The Importance of Good Communication
  5. Understanding Financial Arrangements
  6. Measuring Success Under a RMP

# Successful Management Under A Remedial Management Plan – What is a RMP?

- Before we get started on the technicalities lets first talk about the emotional impact of outside intervention
- Three levels of INAC intervention
- Self-directed RMP
- Co-management
- Third Party Management
- INAC 8% threshold
- Other causes of intervention
- Comprehensive Deficit Recovery Plan

# Successful Management Under A Remedial Management Plan – What is a RMP?

(continued)


- The #1 question for Band Council when outside intervention has been imposed – Why are we here today?
- Or another way to ask the question – Why has INAC imposed outside intervention on our Community?
- Contents of an RMP 
- INAC RMP Template (see Appendix “B”) 

# Successful Management Under A Remedial Management Plan – Contents of a RMP

- Description of the First Nation and the programs and services provided to Community Members
- Historical financial information
- Statistical information
- Reasons for deficit
- Detailed budget
- Detailed statement of cash flow
- Deficit reduction timeline (key – annual surplus targets must be realistic)

# Successful Management Under A Remedial Management Plan – Contents of a RMP

(continued)

- Capacity development plans
- First Nation responsibilities under the RMP
- Co-manager (or Third Party Manager) responsibilities under the RMP (see Appendix “A” - Co-manager Responsibilities)
- INAC responsibilities under the RMP
- Policies (important to allow for separation of politics from administration) 

# Successful Management Under A Remedial Management Plan – Selecting the Right Co-manager

- Co-manager must be a good fit for the Community
- Guiding principles to manage the Co-management process
- Band Council must be the decision makers
- The Co-manager must work cooperatively with Band Council
- Co-management must be viewed as a short-term assignment
- Co-management must be able to provide a Co-management team
- Value for the investment

# Successful Management Under A Remedial Management Plan – The Importance of Timely and Accurate Information

- Understanding the current financial situation
- Restructuring bank indebtedness
- Restructuring supplier indebtedness
- Annual budget
- Statement of cash flow
- Monthly financial statements

# Successful Management Under A Remedial Management Plan – The Importance of Timely and Accurate Information

(continued)

- Allows for effective decision-making by Band Council
- Importance of adequate hardware and accounting software
- AFOA website – a number of very good tools are available to assist First Nations

# Successful Management Under A Remedial Management Plan – Communication

- The importance of good listening skills
- Goals of Band Council are often different than the goals of Co-Management or INAC
- Many paths lead to the same result
- Band Council must be the decision makers
- Knowing your audience
- Communication out to the Community

# Successful Management Under A Remedial Management Plan – Understanding Funding Arrangements

- INAC uses many terms to describe funding arrangements, some interchangeably
- INAC has two types of funding arrangements for First Nations that have not entered into self-government agreements
- The first type is the Comprehensive Funding Arrangement (CFA)
- The second type is the Canada/First Nation Funding Agreement (CFNFA); also known as the DFNFA

# Successful Management Under A Remedial Management Plan – Understanding Funding Arrangements (continued)

- Comprehensive Funding Arrangement (CFA)
- Program budgeted funding
- One-year duration
- Funded by means of a contribution (reimbursement of actual expenditures) or by
- Flexible Transfer Payment (formula funded whereby surpluses may retained under certain circumstances) or by
- Grant (unconditional)

# Successful Management Under A Remedial Management Plan – Understanding Funding Arrangements (continued)

- Canada/First Nations Funding Agreement (CFNFA)
- Block budgeted funding agreement
- Also known as core funding
- Usually for a five-year period
- Increased authority transferred to First Nations over the design and delivery of programs and the management of funds
- Funds can flow as either core or targeted

# Successful Management Under A Remedial Management Plan – Understanding Funding Arrangements (continued)

- Targeted funding can be in the form of contribution funding, flexible transfer payments or grants

# Successful Management Under A Remedial Management Plan – Measuring Success

- Experience has taught us that there are many ways to measure success when operating under a Remedial Management Plan
- Financial measuring stick
- What was our surplus target for the year?
- What was the actual surplus for the year?
- Other measure of success include:

# Successful Management Under A Remedial Management Plan – Measuring Success (continued)

- New housing starts
- Job creation
- Enhancing self-esteem
- Community healing
- Cultural values and traditions

**Your Thoughts....Questions????**