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## Funding Arrangements

### General Principle

A funding arrangement is a document containing terms and conditions by which a transfer payment is made by the Government of Canada through the Department of Indian Affairs and Northern Development (DIAND) for the delivery of programs and services by First Nations. Funding authorities are the rules set by the Treasury Board of Canada that DIAND must follow when providing funding for a particular program or service.

Funding is provided by either Comprehensive Funding Arrangement (CFA) or Canada/First Nation Funding Agreement (CFNFA).

### Comprehensive Funding Arrangement

A band council or an association of bands (tribal council) or organization, may be authorized under a CFA to administer the Social Development Program. First Nations who have signed a CFA with DIAND must use the *BC Region, First Nations National Reporting Guide* in meeting the terms and conditions associated with program reporting, and the policies and procedures of the *Social Development Policy and Procedures Manual*.

The CFA is the basic funding arrangement and may contain one or more funding authorities, such as a contribution or a flexible transfer payment (FTP).

Contributions are allocations subjected to detailed terms and conditions that stipulate the service to be provided, to whom, and what expenses are eligible for reimbursement. Any unspent balance must be returned to DIAND.

FTPs, similar to contributions, provide for delivery of specific services of programs, but funding is based on fixed amount (arrived at by the application of funding formulas) rather than the reimbursement of eligible expenses. Program surpluses may be reallocated at the discretion of the recipient. For example, in certain cases unspent balances for capital projects can be applied to other approved projects.

## Canada/First Nation Funding Agreement

A band council or an association of bands (tribal council) or organization, may be authorized under a CFNFA to administer the Social Development Program in accordance with the terms and conditions of this agreement including the delivery standards.

The CFNFA is the successor of the pilot Financial Transfer Agreement (FTA) and Federal Transfer Agreement (FedTA). The CFNFA builds upon input received from First Nations and First Nation organizations.

The CFNFA represents the next step in building the foundation to consolidate federal funding into a one window agreement to streamline auditing and reporting, and to reduce red tape.

The CFNFA is based on the following principles:

- standardized common federal terms in the agreement body
- unique departmental terms and conditions in separate schedules of the agreement
- ability to contain multi-year block funding
- ability to contain annual targeted programs
- ability to add other federal departments as schedules (with block or targeted programs)

First Nations who have signed a CFNFA with DIAND must use the *BC Region, First Nations National Reporting Guide* in meeting the terms and conditions associated with program reporting.