

Financial Management Learning Session: Budgeting Module

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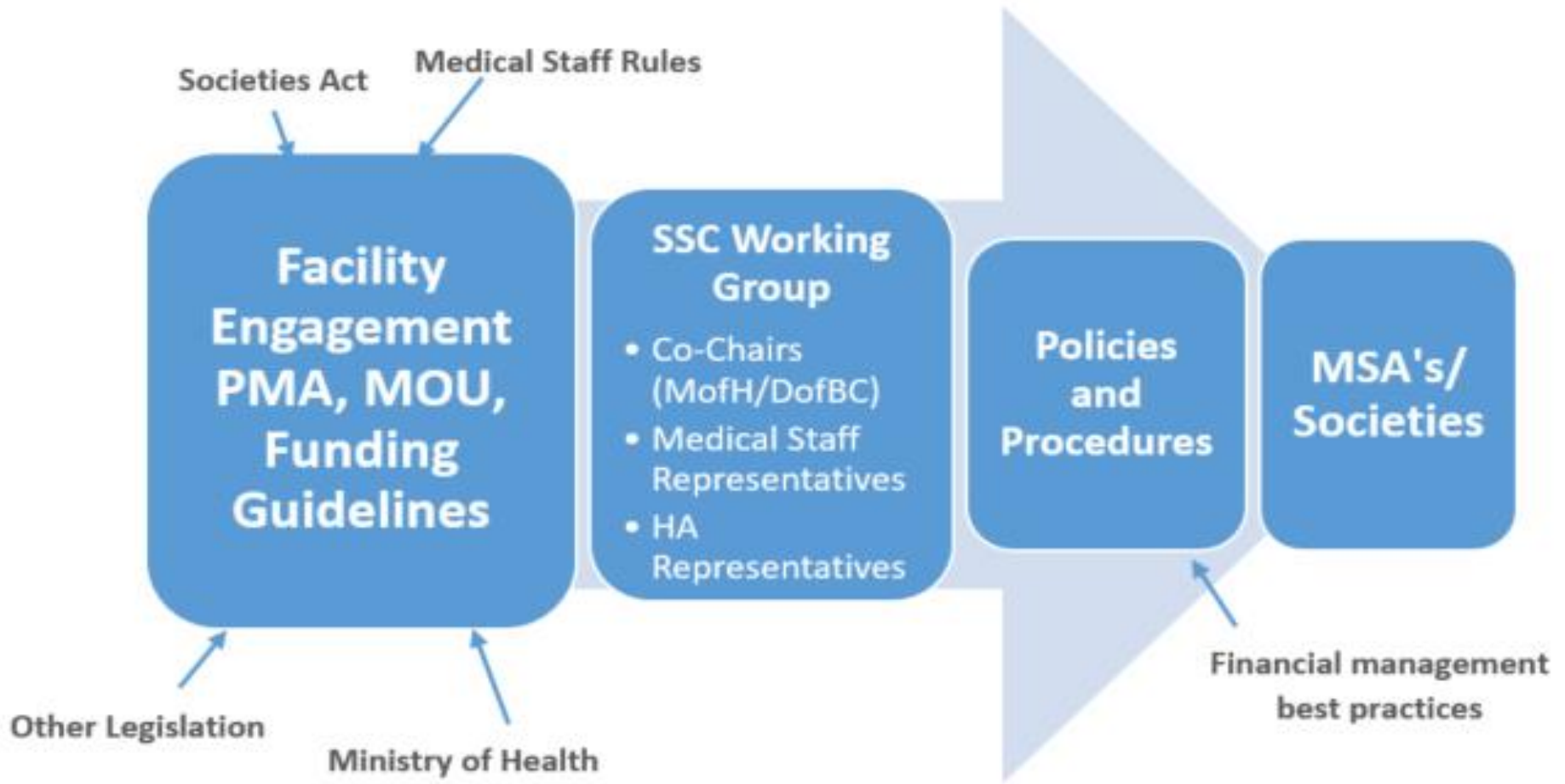
Agenda

- Background information
- Financial Responsibilities of MSAs
- Tasks to Support MSA Financial Management
- Planning for Next Fiscal
- Quarterly Review
- Year End Evaluation
- Questions

Why are we here?

- Some MSAs experienced challenges
- MNP review and recommendations:
 1. Gated funding policy based on sound principles
 2. Opportunities to improve FEMS
 3. Opportunities for MSA training and upskilling
- FE program and MSAs need to manage within annual funding

FE - Decision Making



Financial Responsibilities of MSA Executive/Society Directors

Who is Responsible?

- The MSA/Society Executive
- Individual - voting for financial policies and the budget
- Collectively - fiduciary responsibility
- The MSA may delegate authority for some financial management duties to a Treasurer, MSA/Society Administrator (e.g. Project manager), Finance Committee, Engagement Activity Lead

“The Executive is responsible for the activities and internal affairs of the organization.”

Minimum expectations of MSA Executive/Society Directors

- ✓ Leadership: Defined roles and responsibilities
- ✓ Know, or know how to find, the amount of remaining funds available and budget of the organization.
- ✓ Apply relevant financial information to informed decision making



Financial management tasks and operational processes go hand in hand

What We've Heard...

We know how much is in the bank but don't know if we'll have enough to get through to end of fiscal year.

We keep taking on engagement activities without having a sense of how much money there's left to spend in the year.

We don't know that we'll access all gates, so worry we won't have enough to pay for sessionals or staff.

Nobody on our team knows about financial stuff.

I don't know how to budget.

Financials scare me.

EAs have been open for years without any money spent.

I'm new and have no idea what was done before or where to go from here.

MSAs

We approve new EAs at every meeting but have no processes in place to budget for them.

Goals and Objectives

Goals:

- To increase MSAs' budgeting capabilities for Facility Engagement Initiative work
- To support MSAs/Societies to remain within their annual budget allocations

Objectives:

- Increase comfort in accessing and interpreting financial information
- Enable and support MSAs to refresh/establish financial processes



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What We Hope to Hear...

We know how much is in the bank and know we'll have enough to get through to end of fiscal year!

We take on engagement activities because we have a sense of how much money there's left to spend in the year!

We will be able to access all gates, and know we'll have enough to pay for sessionals and staff!

At least two people on our team know about financial stuff!

I know how to budget!

I still don't like financials, but they don't scare me as much!

EAs make progress and spend their allocated funding at a known rate!

I'm new and know what has happened before and how things work!

MSAs

We approve new EAs at meetings when we have the financial resources to do so!

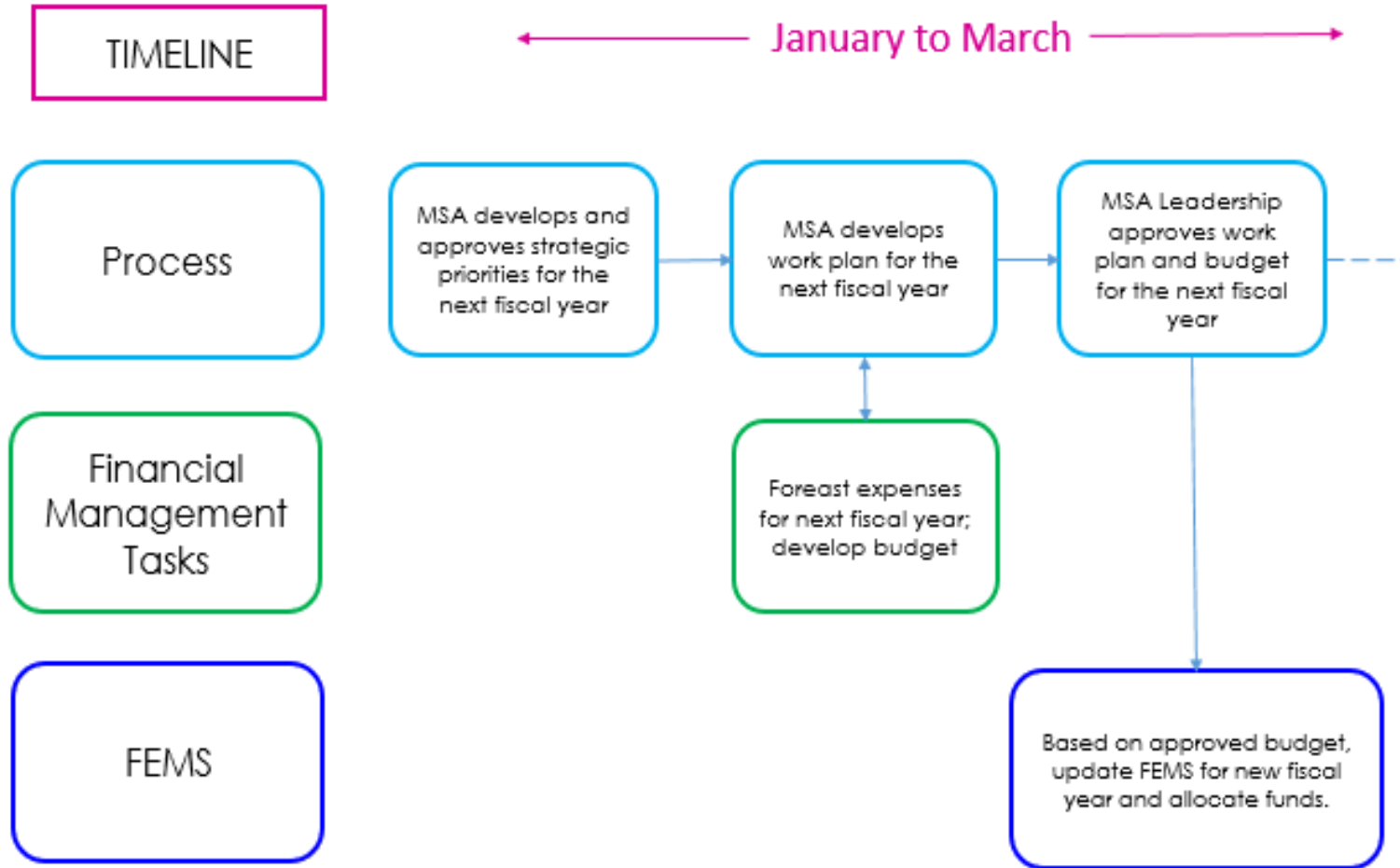
Results of tighter financial controls

- ✓ Budget accurately in current and future financial years
- ✓ Have up to date financials
- ✓ Meet all reporting and legal responsibilities requirements
- ✓ See how quickly/slowly EAs/MSA are spending funds
- ✓ Have better information for conversations with leadership (EA, Executive, Advisory Group, Working Group)
- ✓ Know if you can financially afford to take on new EAs (or not!)
- ✓ Make transparent decisions

Process – Budgeting and EAs



Planning for Next Year



Ocean View Hospital - Budget for Annual Allocation



- Governance
- Internal Operating Expenses
- Engagement Activity 1
- Engagement Activity 2
- Engagement Activity 3
- Working Group/Advisory Meetings
- Contingency
- Undefined Engagement Activities

Building a Budget

Known expenses

- Governance
- Internal Operating Expenses
- Working Group/Advisory Meetings
- Contingency
- Carried over expenses

Undefined expenses

- Engagement Activities

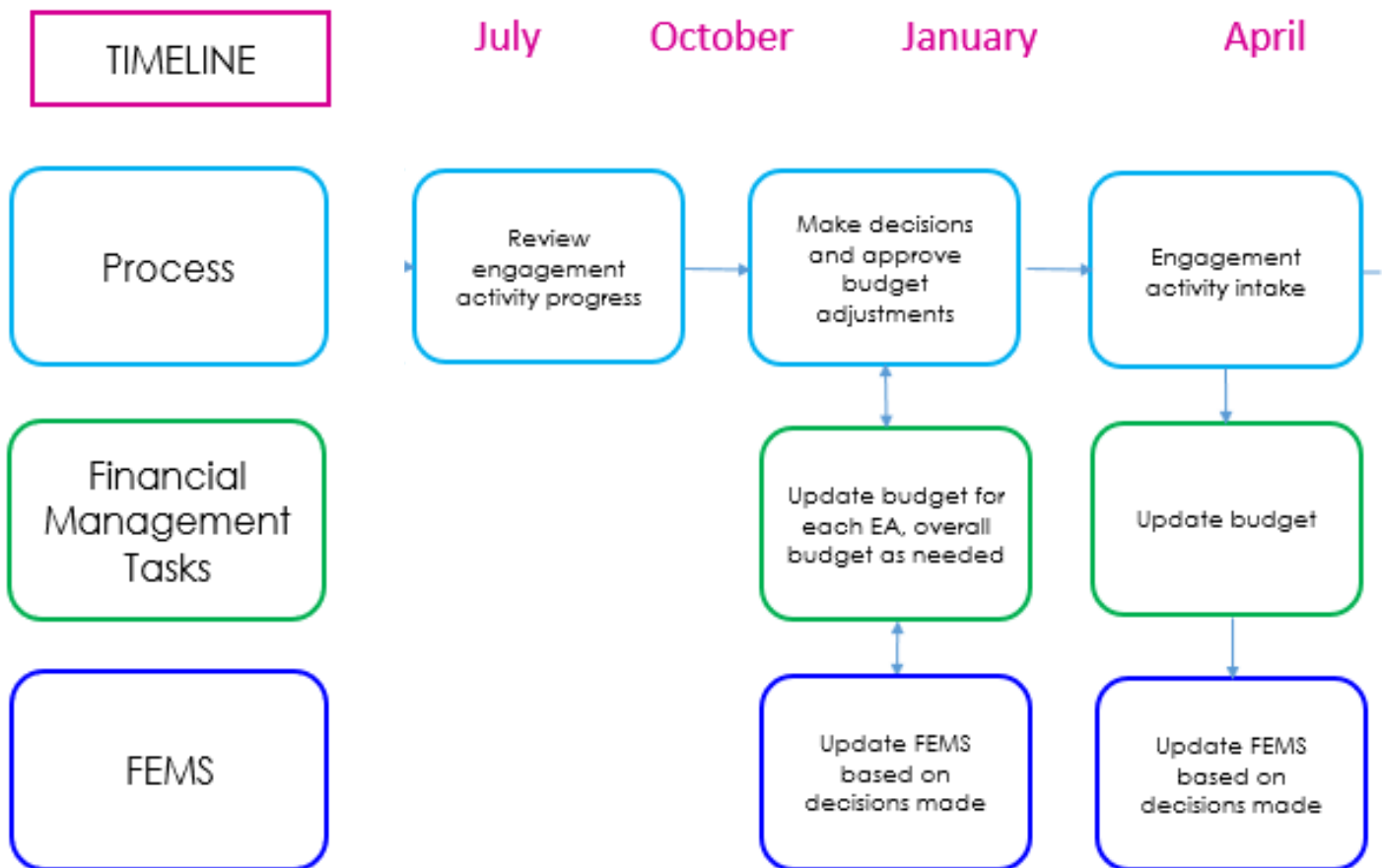


Case Study

Case Study: Q1 at Ocean View Hospital

- We have been given the Work Plan for the year, we need to create a budget from this.
- We know the following:
 - The Executive of 3 meets monthly for 1 hour.
 - There will be 6 Working Group meetings this year.
 - The same IOE costs are anticipated as last year.

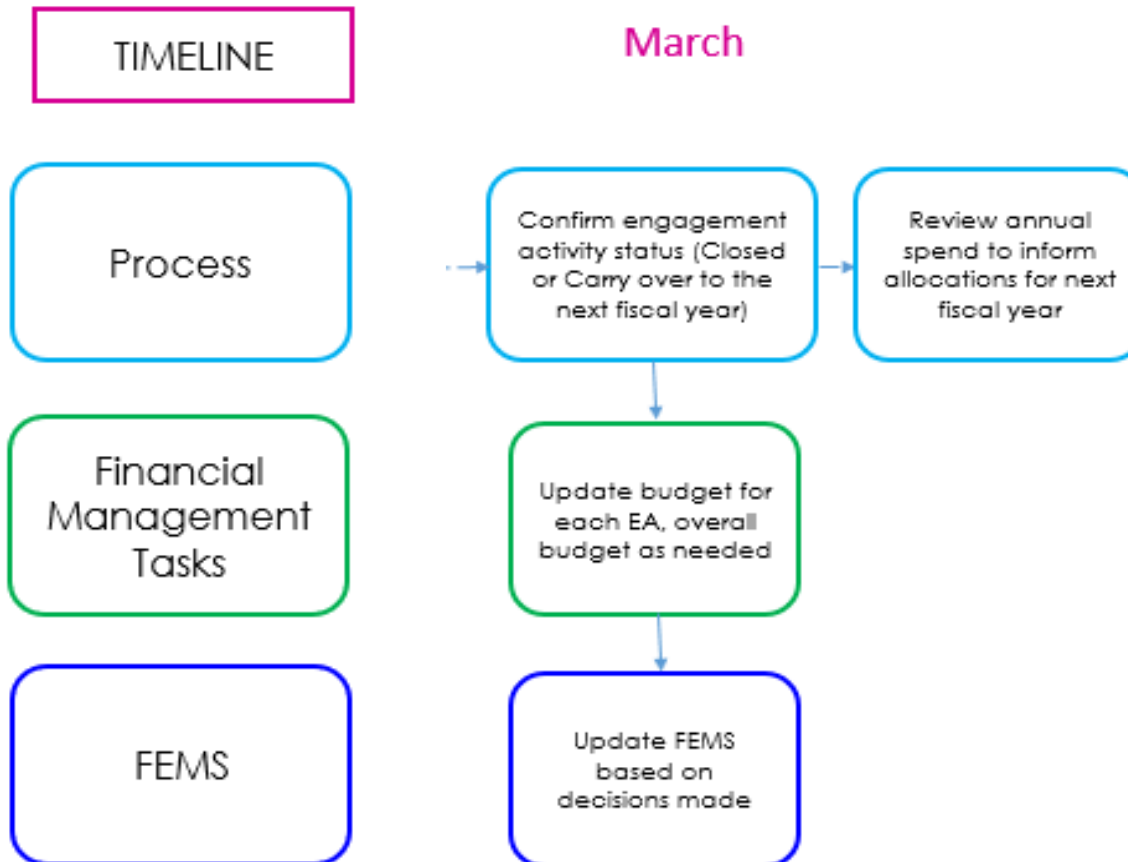
Quarterly Review



Quarterly Review

- Review individual EAs (financial, work progress)
- Review overall financial picture, update budgets
- Make budget adjustments as necessary to existing EAs (increase, decrease, hold, close).
- Reallocate unused funds
- Create new EAs (allocate budget only for this fiscal year)
- Consider budget if EA extends past March 31

Year-End Evaluation



In time, sites will have...

Strong financial acumen:

- People responsible for financial operations have a good understanding of financial concepts
- Accountant/Bookkeeper works closely with people responsible for financial operations

Rigorous operating processes:

- Undertake regular budget review processes
- Has set and followed EA intake and review processes with WG/Advisory/Exec involvement

Financial Management Support

Contact	Topic/Issue	Resources
Your Accountant Bookkeeper (Enkel)	<ul style="list-style-type: none"> • Interpretation of financial reports • Internal Operating Expenses • Everything in FEMS (but in accounting categories) 	
Facility Engagement; your FEL	<ul style="list-style-type: none"> • Direct to resources • High level financial management processes/procedures/questions 	<u>Facility Engagement Website</u>
FEMS Support <u>femssupport@doctorsofbc.ca</u>	<ul style="list-style-type: none"> ▪ FEMS technical issues ▪ Budget allocation to engagement activities ▪ Time and expense claims 	<u>FEMS Webpage</u>
Financial Management Champions	<ul style="list-style-type: none"> • Assist MSA's to Identify financial management challenges and understanding processes 	

Next Steps

- Planned changes in 2020:
 - Leveraging accounting software and financial administrators
 - Standardized financial statements from accounting software
 - FEMS as a claims/expenses platform only
- April 2020 webinar on financial management processes– more information will follow



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Questions?