Module 2, Lesson 1:
Contribution agreement process overview

Knowledge in a Book

Business processes for managing FNIHB Contribution Agreements

First Nations and Inuit Health Branch

Version 1.0
2004

Module 2, Lesson 1: Contribution agreement process overview

Table of contents

Module 2, Lesson 1

Contribution agreement process overview

By the end of Lesson 1, you will be able to:

- identify the stages of the contribution agreement process overview in which you need to perform tasks

Putting it in perspective:

- The contribution agreement process involves all the players at one or more points along the way. You need to know when you'll be called upon to play your part, and where to send the agreement when you've finished your tasks.
- You also need to know where to enter routing information in MCCS so that the agreement can be tracked and, later, audited if necessary to verify that all the proper steps were taken at the appropriate times.
- You don't need to memorize this information. The tasks that you already do on a daily basis are included here. This will give you the context, so that you're a little more familiar with who does what, and when.

Documents and systems referenced in this lesson:

- *First Nations and Inuit Health Program Compendium*
- *Compendium of Program Authorities Available to First Nations and Inuit Health Branch*
- *MCCS*
- *FNIHB Contribution Agreement Discussion, Approval and Signature Procedure*
- *FNIHB Routing Process*
- *Request for New/Revised Clauses for CCAs (Main Body)*
- *Request for New/Revised Clauses for CCAs (Schedules)*
- *Agreement Summary Form*

The process, the whole process, and nothing but the process

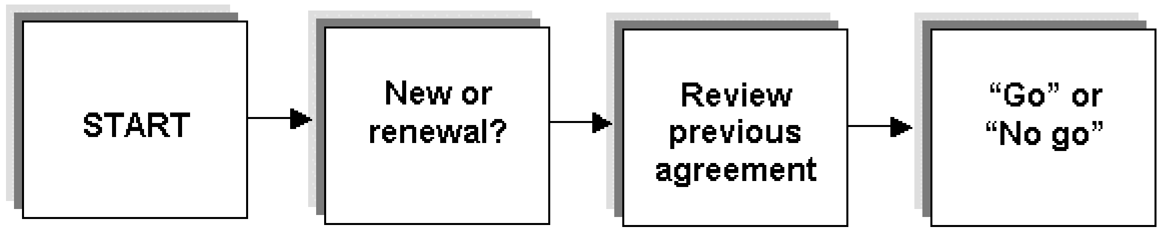
The FNIHB *Contribution Agreement Discussion, Approval and Signature Procedure* clarifies the roles and responsibilities involved in the initiation, discussion, approval, signature process, and release of the first payment for contribution agreements.

The process will help you assess whether you're conforming to all the rules and guidelines.

This process integrates appropriate controls, best management practices, information management activities, and the FNIHB routing process. It will help you assess whether you're conforming to all the rules and guidelines, and will provide a reference point for future quality assurance reviews.

We'll walk through this business process step by step, keeping our eye on the MCCS agreement routing steps. We'll look at how the steps should occur, the links between them, and the roles and responsibilities of each of the parties involved. You'll learn how to document the actions that you take, and what to take into account where control is assigned to a specific party.

Let's jump right in.



1.0 New or renewal?

Players: Program Manager/Officer or Director

Tasks: Discuss terms and conditions or review previous agreement

The first step that you take will be dictated by whether you’re dealing with a new agreement or the renewal of a previous one.

Terminology alert: In FNIHB language, a “renewal” is not really a renewal. In reality, it is a new agreement with a recipient who has had a previous agreement and about whom much of the required background information is already known.

Do one of the following:

- If it’s a new agreement, proceed directly to the discussion of terms and conditions. See Section 2.0 below.
- If it’s a renewal, review the previous agreement. If everything looks good, you can discuss terms and conditions for the renewal. If you find problems, either fix them, or terminate the agreement.

For more information on how to review a previous agreement, see Section 1.1 below, “Reviewing the previous agreement: That was then, this is now”.

What comes next ►►

If you are dealing with a renewal, you’ll need to conduct a review of the previous agreement.

1.1 Reviewing the previous agreement: That was then, this is now

Players: Program Manager/Project Officer or Director

Tasks: Conduct performance assessment of previous agreements

Before developing a new agreement with a former recipient, it is crucial to conduct a performance assessment of previous agreements. If accountabilities were not met in the past, you need to find out why and, more importantly, to ensure that the situation isn't repeated in a new agreement. Live and learn.

On the other hand, if the previous agreement was a model for how to administer a funding program, you'll want to take note of the lessons learned and best practices so that you can share them with your colleagues.

Your assessment should indicate whether initiating a new agreement with the recipient is in accordance with FNIHB objectives.

Your assessment should indicate whether initiating a new agreement with the recipient is in accordance with Branch objectives. If the answer is "No" and/or you discover irregularities with previous agreements, a red flag should be raised. You need to address any outstanding issues before proceeding to a discussion of terms and conditions for a new agreement.

When you review a previous agreement, you'll be playing the part of a sleuth, tracking down people and documents to find out everything you can about what happened in the past.

To assess the performance of previous agreements:

1. Gather and examine all available documentation and speak to individuals who have dealt with the recipient on previous agreements. Refer to the checklist below for more information.
2. Once you're satisfied that you've gathered all of the information that's available about the recipient, analyze the data.
3. Make the call: "go" or "no go".
4. Document the results of your investigation and assessment on the **Agreement Summary Form.**

What to watch for…

Use this checklist to help you find the information you'll need to assess the performance of previous agreements.

- feedback and comments received from all Program Managers relating to the recipient's performance and compliance on previous agreements with Health Canada
- conformity to the terms and conditions of the program/authority as approved by Treasury Board (refer to the *Compendium of Program Authorities* and the *Program Compendium*)
- review of financial reports, program reports, Ministerial audits, and fulfillment of activities and objectives on all previous agreements
- consultation with other federal organizations regarding recipients (is recipient under Third Party Management or other remedial management status?)
- past relationship with the recipients
- if this is a transfer agreement, the Community Health Plan and the evaluation report should be reviewed, while assessing the recipient's plan to use any accumulated surpluses or to deal with accumulated deficits

“Go” or “no go”

If your assessment is positive, it’s a “go”. You can proceed to the discussion process with the recipient.

If your assessment indicates risk and /or management issues, such as management capacity or inappropriate accounting practices, it’s a “no go” for now.

How to proceed if your assessment indicates "no go":

1. Throughout the ongoing discussion process, discuss remedial measures and document them in MCCS and the agreement file as specific conditions of the agreement.
2. If your assessment indicates serious problems of performance with regards to the delivery and/or management of the health programs and services, corrective measures must be taken prior to renewing the agreement with the recipient.

Note: The *Intervention Policy* may be used to resolve serious difficulties prior to the renewal of an agreement. We’ll take a look at the *Intervention Policy* in Module 3, Lesson 3.

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3. If remedial measures can’t be taken, and outstanding problems can’t be resolved, the last resort is to terminate the agreement.

What comes next ►►

If you’ve been able to agree on remedial action and the terms and conditions of the previous agreement have been met, you can proceed to the discussion of terms and conditions for the new agreement.

Discuss terms and conditions

2.0 Discussing the terms and conditions: Let's give them something to talk about

Players: Program Manager/Project Officer or Director

Tasks: Discuss terms and conditions of new agreement

You'll be working closely with other Program Managers involved in the process as you verify that all the required information, such as agreement duration, funding amount, program schedules, etc., is included in the terms and conditions.

To discuss and prepare the terms and conditions of the agreement:

1. Refer to the *Program Compendium* for information on program objectives, provider qualifications and expected outcomes.
2. Refer to the *Compendium of Program Authorities* for eligibility criteria, contribution limits, and spending authorities.
3. Prepare the **Agreement Summary Form** (ASF).

Note: If necessary, consult and coordinate with other Program Managers to ensure that the ASF contains accurate information and reflects all relevant elements of the discussion process and all programs to be contained in the agreement. This information will help those in the review process to understand the purpose, intent, and rationale of the agreement.

4. If there any legal issues, solicit an opinion from **Legal Services.**

What to watch for...

Use this checklist to ensure that you've covered all the bases in the discussion of the terms and conditions of the agreement.

- Assess conformity to the terms and conditions of the program/authority as approved by Treasury Board (refer to *Compendium of Program Authorities* and the *Program Compendium*).
- Determine whether the organization/community has the capacity to undertake the activities and objectives of the agreement and the need to clearly detail these activities and objectives, with particular attention to how they will be carried out within the specified timeframe.
- Verify that the amount of funding is reasonable given the objectives and activities to be undertaken (i.e. value for money).
- Ensure that the risk assessment has been completed based on the past performance of the recipients with the regard to reporting, audits, etc.
- Verify that funding is available for the agreement under Section 32 of the Financial Administration Act.
- Determine whether the organization/community has already received funding for this purpose.
- Review the mandatory and flexible requirements of the appropriate standard agreement.
- Review the program schedule information to be included in the agreement.

Note: All proposals/requests for funding received must be entered in the Program memos field in MCCS.

What comes next ►►

The next step is to prepare the Agreement Summary Form and draft the agreement.

3.0 Preparation of Agreement Summary Form and Draft Agreement

MCCS routing stages:
- **0100: Project entry in progress**
- **0200: To Contracts for agreement preparation**

Players:
- **Program Manager/Project Officer or Director**
- **Other Program Managers**
- **Contracts/Contribution Officer**

Tasks:
- **Complete Agreement Summary Form**
- **Prepare Draft Agreement**
- **Route Draft Agreement**
- **Document activities in MCCS**

Your objective at this stage of the process is to prepare and complete the Agreement Summary Form (ASF) before the Draft Agreement is prepared.

You may need to work in close consultation with other Program Managers in order to compile the information you need to complete the ASF. This information will assist those in the review process to understand the purpose, intent, and rationale of the agreement.

You need to ensure that the ASF conforms to the relevant provisions in the compendia and that the recipient meets eligibility criteria of program authorities.

The key things to ensure at this stage are that the ASF conforms to the relevant provisions in the *Compendium of Program Authorities* and the *Program Compendium;* and that the recipient meets the eligibility criteria of the program authorities. For a discussion of recipient eligibility criteria, please see Module 2, Lesson 3, “Assessing recipient eligibility criteria”.

Once the preliminary legwork and negotiations have been completed, you can move forward to the next step, which is to start the process of preparing the Draft Agreement. The Project Officer provides all the required information to the Administrative Assistant who enters it into MCCS, then routes it to Contracts for agreement preparation.

The steps in this process are outlined below, along with the relevant MCCS routing information.

Steps to prepare the Draft Agreement:

1. The **Administrative Assistant** enters into MCCS all required information as received from the **Project Officer,** then sends it to **Contracts.**
2. The **Contracts/Contributions Officer** prepares the Draft Agreement using the standard template and routing slip in **HotDocs.**

Tip: For more information on using HotDocs, please see Module 2, Lesson 4, "Using HotDocs to assemble contribution agreements".

3. The **Contracts/Contribution Officer** does one of the following:

- If information is missing, routes the Draft Agreement back to the **Administrative Assistant.**
- If all required information has been included, routes the Draft Agreement to the **Project Officer** for review.

4. If there have been any change requests to the **Standard Agreement,** they'll need to be approved before the **Draft Agreement** is routed.

Tip: For more information on dealing with change requests, please see Section 3.1 below, "Changing the Standard Agreement: Checks and balances".

What to watch for...

Use the checklist below to verify that the Draft Agreement conforms to all the necessary policies and authorities.

- All relevant elements of the discussions are reflected in the Agreement Summary Form and the draft agreement.
- The Draft Agreement conforms to the terms and conditions of the program as outlined in the *Program Compendium.*
- The delegated signing authority indicated in the agreement conforms to the conditions listed in the *Compendium of Program Authorities.*
- All information, such as recipient information, funding amount, and duration of the agreement, is entered accurately.
- The organization/community has legal authority to enter into the agreement.
- Funding is available for the agreement.
- The agreement adheres to the relevant Branch, Departmental, and Treasury Board policies and guidelines.

What comes next ►►

If there are any deviations or change requests to modify the Standard Agreement, now is the time to address them.

3.1 Changing the Standard Agreement: Checks and balances

MCCS routing stages:

- **0240: Regional Contracts sends to HQ for deviations**
- **0250: HQ returns to Regional Contracts**

Players:

- **Project Officer**
- **Contracts/Contributions Officer**
- **Program Manager or Regional Director**
- **BPMD**
- **Legal Services**
- **Finance**

Tasks:

- **route the change request**
- **review the change request**
- **approve the change request**

Where it is warranted under exceptional circumstances, changes can be made to the Standard Agreement. In order for Headquarters to maintain a level of standardization and consistency, changes to the main body of the agreement will be considered only in exceptional circumstances. Examples of circumstances which will warrant a consideration of changes include certain treaty-based recitals, changes to federal/provincial legislation, or revised policies that affect CCAs.

Because of the exceptional nature of this process, a number of players become involved to provide the checks and balances necessary to ensure that all reviews and assessments are conducted. All requests for new or revised clauses are overseen by the Director of Accountability and Capacity Development Division.

To process a change request:

1. The change request is sent to headquarters by e-mail from the region.

Note: Requests for approval of deviations from the standard agreement templates should be submitted on the “Request for New/Revised Clauses for CCAs” form. There is a form for changes to program and transfer Schedules, and one for changes to the Main Body.

2. The **Project Officer** identifies the requested change on the **Agreement Summary Form.**
3. The **Project Officer** routes the request by e-mail to the appropriate contact at

BPMD headquarters.

Note: Requests for new/revised clauses in the main body should be sent to Amanda Wilson. Requests for new/revised clauses in program and transfer schedules should be sent to Neil Corriveau.

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4. Each player in the process examines the change request. For more information on this step, please see the checklist below.
5. **BPMD** considers the results of all reviews and assessments, consults with Legal, Finance, and/or Programs Directorate, and then makes a decision either to approve or reject the change request. The final response, which is included in the original change request form, will have been signed off by the appropriate Headquarters representative(s).
6. If a change request is approved, the **Project Officer** enters a scanned version in the **Project memos** field in MCCS along with any supporting documents and forwards a copy to the region.
7. The **Contracts/Contributions Officer** incorporates the approved changes into the **Draft Agreement.**
8. The **Project Officer,** working with the **Contracts/Contributions Officer,** prepares the contribution agreement.

Note: If a change request is rejected, the Program Manager must provide an official response to the recipient. A copy of this letter must be filed in the Project memos field in MCCS.

A copy of the original approval documentation for deviation should be kept in the agreement file. Unless otherwise noted, approved deviations are applicable on an individual community/recipient basis as outlined in the Change Request Form. The Change Request Forms are available on the FNIHB Portal at the following location:

Accountability and Capacity Development Division > Standard Agreements > Standard Agreement Forms > Change Request Forms

What to watch for…

Each player involved in the process to review a change request looks at it from a different perspective. Here's a list of who does what when it comes to assessing a change request.

Manager or Regional Director:

- provides an assessment of whether the changes comply with all federal government and departmental policies in order to support the analysis of the proposed change(s)
- ensures that no conflicts exist with departmental objectives, mandate, or vision
- liaises with all groups involved in the discussion of the change(s) requested
- ensures that all the documentation supporting the analysis, the decision, and the approval are documented in the file and entered in the Project Memos field in MCCS

Headquarters (Business Planning and Management Directorate):

- assesses whether the changes comply with all federal government and departmental policies
- ensures that no conflicts exist with departmental objectives, mandate, or vision
- liaises with all groups involved in the discussion of the change(s)
- where consensus between the parties is not attained, makes the final decision as to whether the change will be accepted or rejected
- if the change from a mandatory clause is considered to be exemplary, forwards for consideration as part of the next standard agreement update
- maintains a record of all change requests (accepted or rejected) to standard agreements

Legal Services:

- ensures that the intent of the original provision is not lost in the change(s) requested
- ensures that this change does not expand the obligation of the federal government beyond what is authorized under the program and to which the department is not prepared to agree
- informs the department of whether the proposed change(s) will increase the risk to the Crown
- determines whether the change(s) is a duplication of existing requirements

- if the change is accepted, assists in the drafting of the new provision

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Note: The results of the above three review processes must be documented in the Project memos field in MCCS.

Finance

- reviews the change request from a financial perspective
- assesses whether the change(s) comply with all federal government and departmental policies such as the Financial Administration Act (FAA) and the Transfer Payment Policy
- ensures that no conflicts exist with departmental objectives, mandate, or vision
- ensures that any comments or documents from finance are entered in the Finance Memos field in MCCS.

Note: When you receive a request to modify an agreement, only the proposed change needs to be routed. This can be done electronically in order to speed up the process.

What comes next ►►

If you have identified a legal issue, now is the time to contact Legal Services for an opinion or advice.

3.2 Legal advice: According to my lawyer...

Players: Legal Services

Tasks: Provide legal advice

If a legal issue, other than a change request from the Standard Agreement, is identified, you should contact Legal Services for an opinion or advice. The request to Legal Services should be sent via e-mail with a description of the issue. Be sure to keep on file all appropriate information pertaining to the legal opinion, including all documentation and the response from Legal Services.

What comes next ►►

If there are potential conflict of interest issues, Human Resources must review the agreement.

3.3 Human Resources review

MCCS routing stages:

- **0300: Contracts sends to Programs for review**
- **0400: Programs sends to Contracts for Final Agreement preparation**
- **0500: Contracts approves Final Agreement**

Players:

- **Human Resources**
- **Program Manager**
- **Contracts/Contributions Officer**

Tasks:

- **review Draft Agreement for issues surrounding values and ethics**
- **prepare and approve final contract**

Human Resources (HR) must review issues in the draft agreement that could lead to conflicts of interest involving past and/or present employees, or issues surrounding values and ethics.

Tip: If keeping the Minister out of the news is important to you, please pay particular attention to this set of instructions.

To conduct an HR review:

1. The **Project Officer** sends the Draft Agreement to **Human Resources.**
2. **Human Resources** reviews the Draft Agreement and ensures that it complies with provisions of the **Public Service Employment Act** and related Regulations.
3. If action is required to clarify or resolve any issues, HR advises the **Program Manager** before the agreement is finalized.
4. The **Program Manager** enters the HR assessment and recommendations in MCCS.
5. Once the agreement has been drafted, the **Contracts/Contributions Officer** sends it back to **Programs** for review.
6. The **Program Manager** reviews the Draft Agreement and sends it **Contracts** for final agreement preparation.
7. **Contracts** prepares and approves final agreement.

What comes next ►►

If the Program Manager has been involved in the discussions with the recipient, the final agreement will have to be peer reviewed by another Program Manager.

3.4 Peer review

MCCS routing stages:

- **0350: Programs sends to Peer for review**
- **0355: Peer approval**

Players:

- **original Program Manager**
- **other Program Managers**

Tasks:

- **review final agreement**

When the original Program Manager has been involved in the discussion process with the recipient, a peer review by a separate Program Manager is required. The original Program Manager must undertake this additional review prior to approval.

To conduct a peer review of a final agreement:

1. Send the final agreement to another **Program Manager** for a peer review.
2. The peer review manager reviews the Draft Agreement, then does one of the following:

- If the Draft Agreement is **OK,** enters the peer approval date in MCCS.
- If the Draft Agreement is **not OK,** deletes last date and enters routing comments in MCCS.

3. When the results of the peer review have been received, the original **Program Manager** makes any necessary changes, then enters the date and routing comments in the **Project memos** field in MCCS.

What to watch for...

The following checklist describes the criteria that must be examined by the other Program Manager conducting the peer review.

- The final agreement is accurate, reflects the original intent of the discussions, and is consistent with the intent of the program under which it was discussed, if applicable.
- The final agreement conforms to the terms and conditions of the program/authority as approved by Treasury Board (refer to the *Program Compendium* and the *Compendium of Program Authorities*).
- Information contained in the final agreement is accurate and reflects the items addressed in the Agreement Summary Form (ASF).
- The amount of funding is reasonable given the objectives and activities to be undertaken.
- The final agreement conforms to the terms and conditions of the appropriate Standard Agreement.
- The organization/community has legal authority to enter into the final agreement.
- A risk assessment was conducted based on the past performance of the organization/community with regard to auditing, reporting, etc.
- There is funding available for the final agreement under Section 32 of the Financial Administration Act.
- The organization/community has the capacity to undertake the activities and objectives of the final agreement.

What comes next ►►

Once all the necessary reviews have been successfully completed, the agreement can be sent to Contracts for Final Agreement preparation.

3.5 Finalize agreement with recipient

Players:

- **Program Manager**
- **Recipient organization/community**

Tasks:

- **Discuss changes to agreement with recipient**

If, as the result of the various review processes, there are changes to the agreement since initial discussions took place, the Program Manager will need to make the recipient aware of the changes. It is to the *advantage of both the department and the recipient* to ensure that any changes for exceptional circumstances to the Standard Agreement are well understood by all the players.

To review changes and finalize the agreement with the recipient:

1. The **Program Manager** discusses changes with the recipient and then finalizes the agreement.
2. The **Program Manager** documents in the file any discussions, verbal or written, that have taken place.
3. The **Program Manager** routes the final agreement through MCCS to **Finance** for review and approval under **Section 32** of the Financial Administration Act.

What comes next ►►

Once the discussions with the recipient are concluded, the final agreement must be reviewed and approved by Finance.

3.6 Review and approval by Finance

MCCS routing stages:

- **0600: CRCC (Contract and Requisition Control Committee) Finance Officer review**
- **0610: CRCC Chair approval**
- **0650: Section 32 approval**

Players:

- **CRCC Finance Officer**
- **Contracts/Contributions Officer**
- **CRCC Chair**
- **Administrative Assistant**

Tasks:

- **review final agreement to verify conformity to policies and authorities**
- **make required changes to final agreement**
- **approve under Section 32 of Financial Administration Act**
- **print hard copies of final agreement**

Once the Program Manager has completed any required discussions with the recipient to finalize the agreement, it is sent to Finance for a final review to verify compliance with Treasury Board program authorities and conformity to all relevant policies and procedures.

When Finance has approved the Agreement it is sent to the Contracts/Contributions Officer for final preparation. This involves printing the Agreement and sending a hard copy to the Program Manager, according to established routing procedures in the MCCS guide.

Steps involved in Finance review:

1. The **Finance Officer** does the following:

- Enters in MCCS routing notes to the Contract and Requisition Control Committee (CRCC) Chair, and the date for *CRCC Finance Officer review*.
- If there are problems with the funding, contacts the appropriate person by email to fix the problems.
- If corrections need to be made, clicks date next to *Finance sends to Contracts for corrections* in MCCS, and then sends the agreement back to **Contracts** for corrections.

2. The **Contracts Officer** makes the appropriate changes to the agreement, clicks date next to *Contracts returns to CRCC Officer* in MCCS, and then returns the agreement to the **CRCC Finance Officer.**
3. The **CRCC Finance Officer** verifies again that the agreement is ready for **Section 32** approval, and that the financial coding is correct. The officer then enters routing notes to the **CRCC Chair,** and then enters the date in MCCS for *CRCC Finance Officer review*.
4. The **CRCC Finance Officer** gives the agreement **Section 32** approval, enters in MCCS the date for *CRCC Chair approval*, and then sends the agreement to the **CRCC Chair** for approval.
5. The **CRCC Chair** enters in MCCS the date for *Section 32* approval.
6. The **Administrative Assistant** creates a commitment in SAP and MCCS by entering the dates for funds committed and *Return to Contracts for printing*.
7. The **Contracts/Contributions Officer** does the following:

- Prints two legal copies of the agreement and returns it to **Programs.**
- Calls the **Administrative Assistant** when the agreement is ready to be picked up.
- Enters in **MCCS** the date **Contracts** sends hard copy to **Programs.**

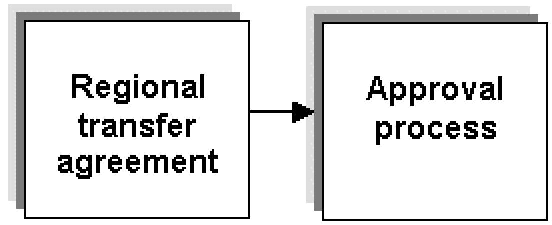
What to watch for...

The purpose of the Finance review is to verify the items in the following checklist.

- The payment schedule conforms to the relevant policy.
- The dates and duration of the agreement are within the Treasury Board Program Authorities.
- The budget and cash flows adhere to policy, with a view to rationality and mathematical correctness.
- Funding is attributed to the proper general ledger account and program budget.
- All financial coding is complete and accurate.
- Planned phased-in amounts are included in the agreement.
- Whether the organization/community has already received funding for this purpose.
- The delegated signing authority is correct.
- Funds for the Agreement are available under Section 32 of the Financial Administration Act.
- A commitment has been created in the financial system (SAP) and MCCS (the *office-use-only* box on the signatory page of the agreement should be used for this purpose).

What comes next ►►

What happens next depends upon whether this is a regional transfer agreement. If it isn't, you can proceed to Step 5.0 below to begin the process of receiving delegated authority approval. If it is a regional transfer agreement, proceed to Step 4.0 below.



4.0 What happens if this is a regional transfer agreement?

MCCS routing stages:

- **0550: Regional Contracts sends transfer agreements to HQ Contracts**
- **0720: HQ Contracts sends transfer agreements to HFA**
- **0760: HFA approved transfer agreement returned to HQ Contracts**
- **0580: HQ Contracts returns transfer agreements to Regional Contracts**

Players:

- **Assistant Deputy Minister**
- **Director General, BPMD**
- **Program Manager/Officer or Director**
- **Health Funding Arrangements Division of BPMD**
- **Finance**
- **Legal Services**
- **Responsible Health Canada authorities**
- **Contracts/Contribution Officer**
- **Region**

Tasks:

- **route Agreement to headquarters**
- **review proposed changes for exceptional circumstances**
- **return Agreement to Region for sign off**
- **review by delegated authority**
- **scan into MCCS by Contracts/Contribution Officer**
- **return to responsible Program Manager/Region**

Transfer Agreements must be routed to BPMD headquarters for approval. Players from Financial and Legal Services, the Health Funding Arrangements (HFA) Division of BPMD, the Director General of BPMD, and the Assistant Deputy Minister are involved in this process.

To approve a regional transfer agreement:

1. **Regional Contracts** routes the transfer agreement to **HQ Contracts.**

Note: Before the region can send the CCA--Transfer to headquarters through MCCS, they must first have Regional Director review and approval. This sign off should be recorded in MCCS. This involves updating the routing page and scanning in the hard copy with the sign off signature.

2. Players from **Financial Services, Legal Services,** and the **Health Funding Arrangements Division** of BPMD review the transfer agreement, and then send it to the **Director General** of BPMD.
3. The **Director General** sends the agreement to the **Assistant Deputy Minister.**
4. The **Assistant Deputy Minister** approves and signs off the transfer agreement, then routes it back to **Health Funding Arrangements.**
5. **Health Funding Arrangements** routes the the agreement to **HQ Contracts.**
6. **HQ Contracts** sends the transfer agreement back to **Regional Contracts** for sign-off.
7. The delegated authority reviews the transfer agreement again. For review criteria please see the checklist below.
8. The **Contracts/Contributions Officer** completes the routing slip manually for this process, and then scans it into MCCS before routing it back to the responsible **Program Manager/Region.**
9. The **Program Manager** enters in MCCS the approval and sign-off under the delegated authority account.
10. **Contracts** sends a hard copy of the agreement to **Programs.**

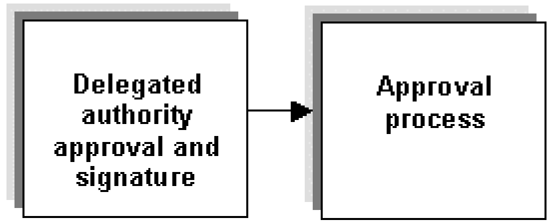
What to watch for...

According to Step 5 above, the delegated authority reviews the transfer agreement to confirm the items in the following checklist.

- The overall quality, clarity, and function of the agreement is acceptable.
- The proper routing process has been followed.
- If there are changes, that they have been approved by Legal Services, Headquarters, Finance, and the Programs area.

What comes next ►►

Once the agreement has made its way through the approval and routing processes to this point, the Delegated Authority must approve and sign the document.



5.0 Delegated authority approval and signature

MCCS routing stages:

- **0800: Contracts sends hard copy to Programs**
- **0900: Programs sends hard copy to signatory**
- **1100: Agreement signed by signatory/returned to originator**

Players:

- **Signatory (responsible delegated authority)**
- **Programs area**

Tasks:

- **final review and approval of final agreement**
- **send final agreement to signatory for review, approval, and signature**

The responsible Delegated Authority (Program Manager, Regional Manager, Regional Director) must complete a final review and approval of the final agreement before sending it to the recipient for review and signature. This requirement is part of the financial signing authorities and the program terms and conditions.

Steps in the Delegated Authority approval and signature process:

1. The **Administrative Assistant** picks up a hard copy of the agreement from **Contracts,** delivers it to the signatory with **Delegated Authority,** and then enters in MCCS the *Programs sends hard copy to signatory* date.
2. The **Delegated Authority** signatory completes a final review and approval of the final agreement.
3. The responsible **Delegated Authority** makes the decision as to whether or not Health Canada will enter into the final agreement.
4. If the final agreement is approved, the **Delegated Authority** signatory signs the hard copies, enters the date in MCCS, and then returns the signed copies to the **Administrative Assistant.** The agreement is now ready to be sent to the recipient.

Note: The appropriate Delegated Authority signatory may sign the agreement either before it is sent to the recipient or after the receipt of the signed agreement from the recipient, although it is preferable to send it out without a signature. The decision in this regard is at the discretion of the appropriate Health Canada authorities. However, assurance must be made that both parties have signed and dated the agreement prior to its starting date.

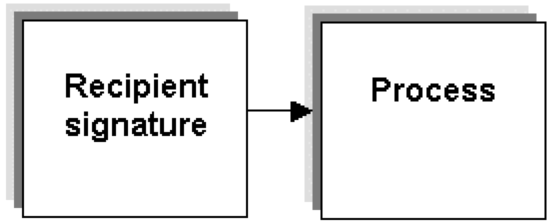
What to watch for...

The final review of the final agreement by the responsible Delegated Authority verifies the items in the following checklist.

- Acceptability of the overall quality, clarity, and function of the agreement.
- Whether the proper routing process has been followed.
- If there are changes, that they have been approved by the appropriate Health Canada authorities (Legal Services, Finance Officials, Programs area, etc.).

What comes next ►►

Once the Delegated Authority has reviewed, approved, and signed the final agreement, it is sent to the recipient for approval and signature. As noted above, the Delegated Authority may sign the final agreement after it has been received and signed by the recipient.



6.0 Recipient signature

MCCS routing stages:

- **1100: Agreement signed by signatory/returned to originator**
- **1200: Programs sends agreement to recipient**
- **1300: Signed agreement received from recipient, sent to Finance, and copy sent to Contracts**

Players:

- **Administrative Assistant**
- **Project Officer**
- **Recipient**
- **Finance**
- **Contracts**

Tasks:

- **Contracts sends hard copy of agreement to Programs**
- **Programs sends hard copy of agreement to delegated authority signatory**
- **Programs receives hard copy originals from signatory and sends legal copies to recipient**
- **Receipt of signed agreement entered in MCCS**
- **Recipient signs both copies, keeps one for files, and returns other to Programs**
- **Programs sends original to Finance and copy to Contracts**
- **Validate signatory page scanned and attached in MCCS**

Once the responsible Health Canada authorities have reviewed and approved the Final Agreement, the recipient gets a chance to do the same.

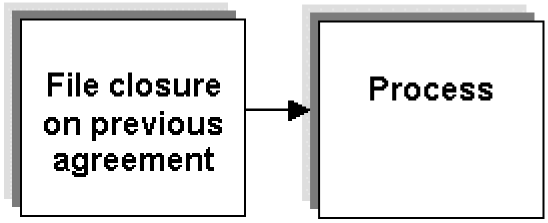
To obtain the recipient signature on the Final Agreement:

1. **Contracts** sends hard copy of agreement to **Programs.**
2. The **Delegated Authority** signatory receives a hard copy of the agreement from Programs (**Project Officer** or **Administrative Assistant**), completes the review and approval of the final agreement, then signs both originals and enters “Agreement Signed by Signatory/Returned to Originator” date in MCCS.

3. **Programs** receives both hard copy originals from signatory and manually sends both legal copies to the Recipient for review and signature, then enters in MCCS "Programs sends Agreement to Recipient" date.
4. The **Recipient** receives and reviews the final hard copy agreement, signs both copies, keeps one copy for their files, and returns the other to **Programs.**
5. **Programs** (Administrative Assistant) sends signed original copy of agreement to **Contracts** and copy to **Finance,** then enters in MCCS "Signd Agrmnt Rec'd from Recip / Sent to Contracts" date.
6. **Contracts** scans and attaches signature page to "Standard Agreements and memos" tab in MCCS.
7. **Programs** changes the project status in MCCS to "Complete" when *all* required reports have been received and recorded (scanned in or electronically attached.)

What comes next ►►

This is the end of the line for the final agreement. But there may still be loose ends to tie up on previous agreements. Now is the time to deal with those.



7.0 File closure on previous agreement: Cleaning up loose ends

Players: Program Managers

Tasks: Review file on previous agreement

At this point, you've completed the *Agreement Discussion, Approval and Signature Process* for the new agreement. Now, you must take measures to ensure that the previous agreement file is completed and closed. Once the review has been completed, the appropriate Program Managers should sign off the file for completeness.

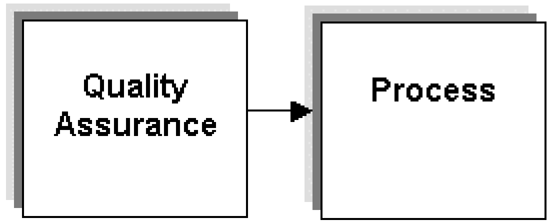
What to watch for...

The criteria for the previous file review are described in the following checklist.

- The terms and conditions of the agreement have been met.
- All reports have been received and recorded in MCCS (scanned in or electronically attached).
- Financial and program activity reports have been reviewed and information shared with appropriate program managers.
- Follow-up with recipient if there are any outstanding reports and provide and document rationale in the file as to why reports have not been received (the rationale must be entered in MCCS).
- Any outstanding amounts are recovered and corrective/preventive measures have been implemented in a timely manner.

What comes next ►►

Now that the agreement is in place, it will be monitored on an ongoing basis to ensure that all the players involved fulfill their obligations and responsibilities.



8.0 Quality Assurance Function

Players:

- **Business Planning and Management Directorate**
- **BEC Sub-Committee on Audit, Evaluation, and Review**

Tasks: Quality assurance reviews

As part of the Quality Assurance function within the Business Planning and Management Directorate, on-site quality assurance reviews may be conducted based on risk assessment. These reviews provide an acceptable level of assurance that the procedures are being followed consistently across the Branch in all regions.

When a quality assurance review is required, interviews and file reviews are conducted randomly. Quality Assurance reviews are conducted on the guidance of the BEC Sub-Committee on Audit, Evaluation, and Review.

What to watch for...

The types of things that the reviewers are looking for are described in the following checklist.

- The agreement was properly routed and that supporting documentation, such as the Agreement Summary Form, signatory page, legal advice/opinion, etc., is on file and in MCCS.
- The proper delegated authority signed the agreement.
- Validation of the recipient(s) signature has been completed and is documented.
- The agreement complies with all associated policies in the *Program Compendium* and the *Compendium of Program Authorities.*
- If there are any change request(s), that a proper rationale is included on file as to whether is was accepted or refused and has been documented in MCCS.
- Knowledge of the key steps and controls by staff responsible for the administration and management of contribution agreements (which is the reason that you're reading this book).

What comes next ►►

When the next request for funding under a contribution agreement program lands on your desk, the whole process begins anew.

Keep this guide handy as you walk through the steps of the FNIHB *Contribution Agreement Discussion, Approval and Signature Procedure.*

What’s next?

Down the road: Determining recipient eligibility.

One of your most important tasks as a contribution agreement manager is to elicit information from recipients that will help them choose the best approach for the delivery of services and programs in their communities. In the next lesson we’ll look at the kinds of information that you should know in order to help make a decision on what type of contribution agreement to put in place with a recipient.