



Summary of the First Nations Financial Management Board and Financial Administration Law (FAL)

First Nations Financial Management Board (FMB) is a First Nations-led non-profit organization that supports First Nations to develop sound finance and financial governance practices. Professional services are offered at no cost to First Nations.

Financial Administration Law (FAL)

The FAL is a set of finance and financial governance practices developed to assist Council and staff make informed financial decisions. A Nation that lives by its FAL commits to good financial governance and finance practices over the long term. FMB will provide no-charge support to review, strengthen, enhance, or create new financial policies that align with the FAL as Cheam brings its FAL to life

The main sections of the FAL are laid out below:

Administration

This part sets out the roles and responsibilities of the people who manage your First Nation's finance practices and bring your FAL to life, including Councillors, committee members, employees, and contractors.

Financial Management

This part sets out practices around how every part of your First Nation's finances will be managed. This includes:

- planning and budgeting
- controls for managing revenues and expenses
- rules for borrowing
- risk management
- finance reporting
- information technology

Capital Projects

This part details practices around how your First Nation manages its assets, such as roads, buildings, computers, and so on. It also covers finance practices around new capital projects, such as the construction of a new building.

Miscellaneous

This part depends on your First Nation. For example, it could cover oil, gas, and land management.

Conflicts of interest

This part sets out rules to help the people who manage your First Nation avoid or reduce the impact or appearance of conflicts of interest.



Benefits of Enacting a FAL & working with FMB

Financial

- Gaining access to the FMB Capacity Development team to bring the FAL to Life at Cheam
- FMB support in enhancing financial related policies
- Chief and council provided enhanced consistent financial information from staff to make informed financial decisions
- Consistent Financial reporting
- Continuity for the Nation when Chief & Council and staff are all working from the same set of financial guidelines

Accountability and Transparency

- Clear and transparent decision-making
- Chief & Council commit to keeping members up to date with financial information
- Chief & Council accountable to membership

Community Building

- Stronger relationships within the membership, and Chief and Council through increased transparency and accountability
- Building relationships with potential business partners to build economic development

Reduce Risk Profile

- Offer a new level of confidence for potential business partners, government and most importantly the people. Certification tells Cheam members the finances are being well managed and tells potential partners their investments are good ones

Develop Infrastructure

- Leverage the FAL and FMB support to find resources to develop infrastructure

Strengthen Strategic Planning

- Support in enhancing your strategic plan and meeting and exceeding those objectives
- Developing structure with short-term and long-term strategic plans

Optional pathways available Working with FMB

- First Nations Financial Authority pooled borrowing
- ISC (10-Year) NFR Grant Eligibility