



Issue Date: September 2009	Effective Date: Immediate	Responsible Agency: Comptroller General	Directive No: 950
Chapter: Control of Revenues			
Directive Title: REVENUE AND TRUST AUTHORIZATION			

1. POLICY

S. (4)1 of the *Financial Administration Act* provides that the Financial Management Board (FMB) has authority to act on all matters relating to financial management and financial administration with respect to accounting and budgeting policies. The Government requires that all revenue generating activity must be properly authorized before implementation.

2. DIRECTIVE

Revenue generating activities not otherwise authorized by legislation, regulation, directive or Executive Council must be authorized according to the provisions of this directive prior to their introduction.

Trust agreements for funds received from third parties which are administered by the government on behalf of the beneficiaries are subject to the conditions of this Directive.

3. PROVISIONS

- 3.1. All revenue generating activities must be consistent with government goals and objectives.
- 3.2. All agreements and contracts used to initiate revenue generating activities must be authorized according to the following approval limits:
 - a) up to \$500,000, the Deputy Minister (DM) must authorize, with notice to FMB prior to implementation.
 - b) over \$500,000, FMB must authorize, with notice to Executive Council at FMB discretion. FMB may refer agreements to Executive Council for approval.

- 3.2.1. A department proposing a revenue agreement must provide to the DM or the FMB an analysis providing details of the proposed agreement. Each analysis, which must be retained by the department, must clearly identify the source of the funding, detail what the expected benefits will be, and identify the recipients of the benefits. In addition, the analysis of the proposed agreement should indicate:
- a) how the proposal relates to Government objectives;
 - b) the proposed use for the funding;
 - c) the expected benefits including duration and significance;
 - d) significant additional Government spending requirements, whether one time only or ongoing;
 - e) the terms and conditions of the funding, including any contractual requirements;
 - f) any conditions which are onerous or which could create future expenditures, liabilities, or other issues of concern; and
 - g) details of any financial or legal matters pertinent to the issue, including any carry-over provisions.
- 3.3. The terms and conditions of the agreement must be in writing and provide full disclosure of all aspects of the agreement, how it will operate and how it will terminate.
- 3.4. All agreements must be reviewed by the Department of Finance for financial and accounting terms and conditions, agreement management considerations and risk assessment determinations before they are executed. For agreements under \$500,000, the Executive Finance Officer of the proposing department is responsible for the review.
- 3.5. All agreements must receive a legal review by Justice prior to signing.
- 3.6. Copies of all signed agreements and all subsequent amendments must be provided to Expenditure Management and the Office of the Comptroller General (OCG).
- 3.7. The Executive Finance Officer of the responsible department shall ensure that every funding agreement complies with applicable legislation and the directives in this manual.
- 3.8. Where the revenue being authorized under this directive is the result of a third party funding agreement, Directive 880, Third Party Funded Disbursements must also be adhered to.



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- 3.9. All known revenue sources, including third party funding agreements, must be presented in the Main Estimates under “Summary of Revenues” or under “Detail of Work Performed on Behalf of Third Parties”.

- 3.10. Any reports required by the terms of the agreement must be provided to the Deputy Minister, the FMB, Expenditure Management and the OCG.