

First Nations Tax Commission Annual Corporate Plan 2008/2009

April 2008



First Nations Tax Commission

Commission de la fiscalité des premières nations

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EXECUTIVE SUMMARY

The First Nations Tax Commission (FNTC) began operation in July 2007. This is the second annual Corporate Plan for the FNTC. The FNTC is a shared governance institution with a Head Office in Kamloops, BC and an Eastern office in the National Capital Region in Ottawa. The FNTC is the successor institution to the Indian Taxation Advisory Board (ITAB), which operated from 1988 to 2007.

The mandate of the FNTC is provided by s.29 of the *First Nations Fiscal and Statistical Management Act* (FSMA). Its mission is to help First Nation governments build and maintain fair and efficient property tax regimes, and to ensure those First Nation communities, and their taxpayers alike, receive the maximum benefit from those systems.

The FNTC operates in the larger context of First Nation issues creating a national regulatory framework for First Nation tax systems that meet or exceed the standards of provinces, helping to facilitate investment on FSMA First Nation lands, and taking a leadership role in filling the institutional vacuum that has prevented First Nations from participating in the market economy.

For these reasons, the 2008/2009 Corporate Plan involves the FNTC forming strategic working relationships with other First Nation institutions so that models, templates, and services are coordinated for First Nations that want markets to work on their lands. The 2008/2009 Corporate Plan includes transferring knowledge and building administrative capacity through Certificates in First Nation Applied Economics and First Nation Public Administration – Taxation. The 2008/2009 Corporate Plan also includes a number of special initiatives designed to remove barriers to creating effective markets on First Nation lands. These initiatives include expanding First Nation revenues through the First Nations GST, creating land title certainty, ensuring greater First Nation access to markets through expedited additions to reserve processes, building home equity for First Nation citizens through open market housing and ensuring competitive economic infrastructure through the First Nations Infrastructure Fund (FNIF).

In 2008/2009, the primary focus of the FNTC will be helping First Nations on the FSMA schedule develop new taxation laws or convert their existing s.83 *Indian Act* by-laws so that they can increase investor certainty and access the same infrastructure financing tools as other governments. The FNTC has established the following six business lines to fulfill its mandate:

1. Corporate Services and *Gazette*
2. Policy Development
3. Law, By-law Review and Regulations
4. Education
5. Communications
6. Dispute Management

In addition to First Nations scheduled on the FSMA, the FNTC also provides policy development, by-law review, education, communications, and dispute resolution services to First Nations collecting property taxes under the authority of s.83 of the *Indian Act*.

This Corporate Plan describes the strategies that the FNTC will establish in 2008/2009 to support First Nation local revenue systems. It also identifies external risks to the FNTC during the next fiscal year relating to unexpected demand for services, tax certificate courses, and expanded FSMA revenue options. Additionally, this Corporate Plan presents strategies to manage these risks. It presents objectives, strategies, and performance measures for each FNTC business line. The Corporate Plan presents an accountability framework consistent with Part 6 of the FSMA.

The table below summarizes the FNTC's financial planning budget for the 2008/2009 fiscal year.

FNTC Financial Plan Year Ending March 31, 2009	
Commission Costs	\$878,539
Corporate Services	1,077,906
<i>Gazette</i>	322,546
Policy Development	847,351
Education	386,200
Dispute Management	260,246
Communications	729,930
By-law, Law Review and Regulations	1,161,282
Operating Costs Total	\$ 5,664,000
Special costs	100,000
Operating and Special Cost Total	\$ 5,764,000

CORPORATE PROFILE

The First Nations Tax Commission (FNTC) is a shared governance institution. The Governor-in-Council appoints nine of the Commissioners and the Native Law Centre of Canada at the University of Saskatchewan appoints one commissioner. The commissioners are:

- C.T. (Manny) Jules , Kamloops, BC (Chief Commissioner & CEO)
- David Paul, Tobique, NB, (Deputy Chief Commissioner)
- Dr. Céline Auclair, Gatineau, QC
- Leslie Brochu, Kamloops, BC (Residential Property Taxpayer)
- Lester Lafond, Saskatoon, SK
- Ken Marsh, Okotoks, AB, (Utility Property Taxpayer)
- William McCue, Georgina Island, ON
- Terry Nicholas, Windermere, BC
- Randy Price, North Vancouver BC, (Commercial Property Taxpayer)
- Ann Shaw, Chateauguay, QC

Mission

The mission of the FNTC is to help First Nation governments build and maintain fair and efficient property tax regimes, and to ensure those First Nation communities, and their taxpayers alike, receive the maximum benefit from those systems.

It will achieve this mission by working with First Nations and stakeholders to:

- develop, implement, and enforce an appropriate regulatory framework;
- identify education needs and develop and offer programs to meet those needs;
- prevent and resolve disputes; and
- support economic development on First Nation lands, in part through services to, and coordination with, the three other First Nations fiscal and statistical institutions.

Through an agreement with the Minister of Indian and Northern Affairs, the FNTC will provide advice regarding the approval of s.83 by-laws and deliver services to First Nations exercising property tax jurisdiction under s.83 of the *Indian Act*.

Mandate

The mandate of the First Nations Tax Commission is provided by s.29 of the *First Nations Fiscal and Statistical Management Act*.

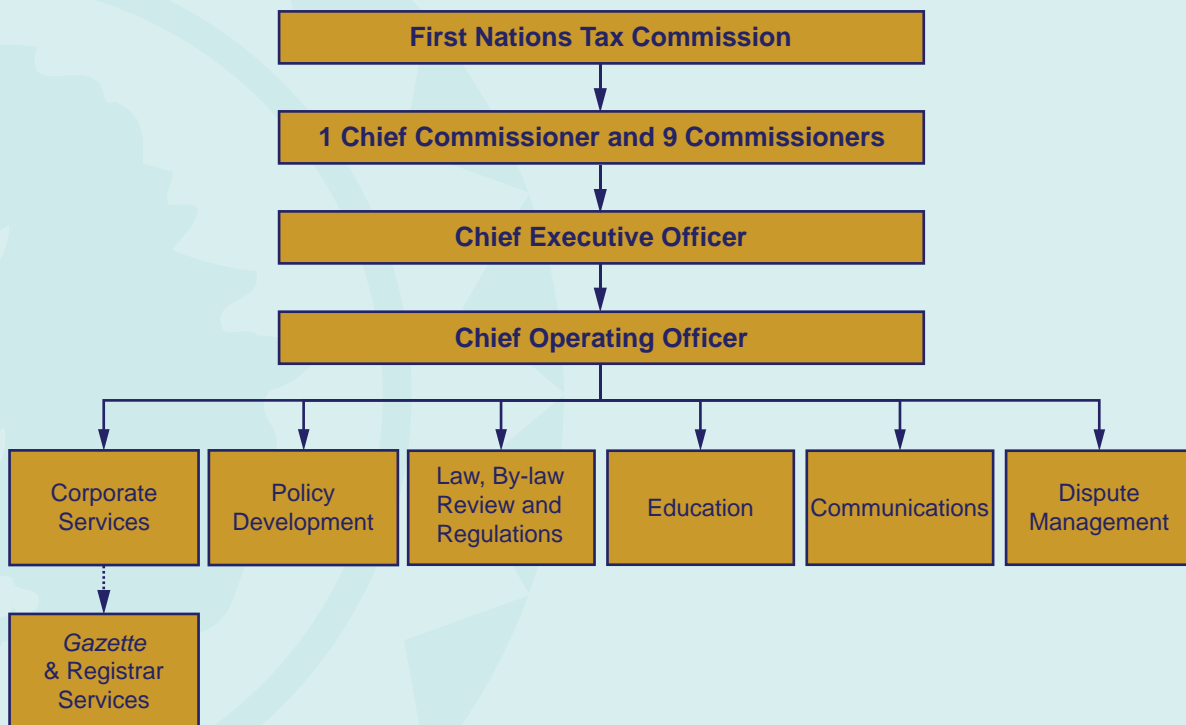
29. The purposes of the Commission are to:

- (a) ensure the integrity of the system of first nations real property taxation and promote a common approach to first nations real property taxation nationwide, having regard to variations in provincial real property taxation systems;
- (b) ensure that the real property taxation systems of first nations reconcile the interests of taxpayers with the responsibilities of chiefs and councils to govern the affairs of first nations;
- (c) prevent, or provide for the timely resolution of, disputes in relation to the application of local revenue laws;
- (d) assist first nations in the exercise of their jurisdiction over real property taxation on reserve lands and build capacity in first nations to administer their taxation systems;
- (e) develop training programs for first nation real property tax administrators;
- (f) assist first nations to achieve sustainable economic development through the generation of stable local revenues;
- (g) promote a transparent first nations real property taxation regime that provides certainty to taxpayers;
- (h) promote understanding of the real property taxation systems of first nations; and
- (i) provide advice to the Minister regarding future development of the framework within which local revenue laws are made.

Corporate Structure

The FNTC maintains a Head Office located on the reserve lands of the Kamloops Indian Band (s.26 (1) FSMA) and an Eastern Office located in the National Capital Region (s.26 (2) FSMA). The FNTC is supported by a staff of twenty-one. Professionals with expertise related to the FNTC mandate assist the FNTC on a contract basis.

The FNTC operates six business lines as illustrated below.



Governance

During its first year of operation, the FNTC approved rules for governance and procedure as well as a comprehensive management policy which contain policies relating to a number of topics including:

- Conflict of Interest s.132(1)(2)(3)
- Proceedings for Meetings
- Committees
- Human Resources
- Financial Management
- Purchasing
- Travel

The FNTC has an executive management committee. It consists of the Chief Commissioner, the Deputy Chief Commissioner, and the Chief Operating Officer. The executive management committee is chaired by the Chief Commissioner, who is also the Chief Executive Officer (CEO) of the Commission. The Committee makes recommendations to the CEO on the activities of organizing human, financial, and other resources to fulfill planned goals and functions. The Committee also provides the CEO with advice on the development of operational, strategic, and tactical planning, planning evaluation approaches and systems.

The FNTC has established an audit committee (s.125). The audit committee is responsible for assisting the Commission in fulfilling its legal and fiduciary obligations with respect to matters involving the accounting, auditing, financial reporting, internal control, and financially related legal compliance functions of the FNTC.

The FNTC will continue in 2008/2009 to work on the following special initiatives:

- FSMA infrastructure program
- First Nations GST
- First Nations Land Title Initiative
- Expediting Additions to Reserve
- Legal Framework for Open Market Housing
- Improving the Framework for Local Revenue Laws

Each of these special initiatives involves advocacy, consultation, research, and the preparation of communication materials.

The FNTC has included the cost of developing the concepts and proposals for funding requirements of special initiatives in the 2008/2009 Financial Plan. Special initiatives will be managed under the Corporate Services business line. In some circumstances, the Chief Commissioner may develop committees for these initiatives, which may include Commissioners, staff and professionals as required.

The FNTC will create committees and review bodies, consisting of Commissioners, FNTC staff, and professionals to ensure effective service delivery for the *First Nations Gazette*, the s.33 (FSMA) complaints process and First Nation tax administrator certification. The *First Nations Gazette* Editorial Board will establish standards and procedures for the publication of the *First Nations Gazette*. The FNTC conducts s.33 reviews as they arise. The FNTC Education committee will establish the certification standards for the accredited Certificate in First Nation Public Administration – Taxation.

Assessment of Previous Results

The table below presents an assessment of the FNTC's 2007/2008 work plan.

Business Line	Activities/Performance Measures	Assessment
Corporate Services	<ul style="list-style-type: none"> Corporate Plan, work plan New staff and training Implement capital plans Implement reporting evaluation system Security clearance Human resource and benefits plan 4 FNTC meetings 2 orientation sessions Seeking resources for special projects Sample laws in <i>Gazette</i> 	<ul style="list-style-type: none"> Completed Feb 2008 4 new staff hired by Mar 2008 Implemented Jan 2008 Completed Feb 2008 Completed Mar 2008 Completed Mar 2008 Completed Mar 2008 Completed Mar 2008 Completed Dec 2007 Work underway Completed Mar 2008
Policy Development	<ul style="list-style-type: none"> 5 law review standards Business and borrowing laws policy development 5 policies in development 4 projects with other institutions 	<ul style="list-style-type: none"> Completed Mar 2008 Completed Feb 2008 5 policies in development 4 projects underway
By-law/Law Review and Regulations	<ul style="list-style-type: none"> 5 sample laws developed 3 First Nations converted for FSMA 7 regulations complete s.33 complaints process complete 	<ul style="list-style-type: none"> Completed Mar 2008 Completed Mar 2008 Completed Jan 2008 Completed Dec 2007
Education	<ul style="list-style-type: none"> 3 courses accredited 4 courses delivered Education model report 	<ul style="list-style-type: none"> Completed Jan 2008 Completed Mar 2008 Completed Oct 2007
Communications	<ul style="list-style-type: none"> Coordinate national tax meeting Update/redesign website Presentations <i>Official Languages Act</i> compliance 	<ul style="list-style-type: none"> Completed Oct 2007 Completed Feb 2008 46 presentations made Ongoing
Dispute Management	<ul style="list-style-type: none"> Roster of mediators Training materials for mediators Respond to requests for facilitation 	<ul style="list-style-type: none"> Completed Mar 2008 Completed Mar 2008 2 active files

The FNTC has completed all elements of its 2007/2008 work plan.

Analysis of External Business Environment

The FNTC operates in the larger context of First Nation issues and barriers to economic development on First Nation lands. The fiscal, economic, and political costs of market failure on First Nation lands are large and growing. Unless this market failure is corrected, First Nation poverty will continue to impose increasing costs on the Canadian taxpayer and impact Canadian productivity.

A number of First Nations would like to facilitate more private investment on their lands. They are constrained from doing this because the transaction costs from proposal to construction on First Nation lands are four to six times higher than on non-First Nation lands.

These high transaction costs arise because the legal and administrative framework to facilitate investment on First Nation land is largely missing. Its absence is a result of *Indian Act* atrophy. Whereas the rest of Canada developed modern legislative, administrative frameworks and competitive infrastructure during the last 140 years, First Nations did not. The First Nation economic problem is market failure caused by investor uncertainty and poor infrastructure.

During the last 20 years, First Nations have begun to legislate their way back into the Canadian economy. It started in 1988 with the first ever change to the *Indian Act* led by a First Nation – the “Kamloops Amendment”. This amendment enabled First Nations to collect property tax on their lands and created the original First Nation institution dedicated to this strategy - the Indian Taxation Advisory Board.

Once First Nation governments derived revenues from economic activity, they began to pursue more economic activity on their lands. This meant pursuing other legislation and institutions to fill the legal, administrative and infrastructure financing gaps created by the deficiencies inherent to the *Indian Act*. The FNTC has developed a three-part long-term strategy to fill those gaps that prevent markets from working on First Nation lands.

- Institutional Partnerships – In addition to taxation, First Nations interested in effective markets on their lands need support relating to finance, land, information management, and governance. This is why the FNTC has or will form strategic working relationships with the First Nations Financial Management Board (FMB), First Nations Statistical Institute (FNSI), the First Nations Finance Authority (FNFA), the Lands Advisory Board (LAB), and the National Centre for First Nations Governance. It is important for the services and model laws and systems from each of these institutions to be coordinated in a manner that helps interested First Nations facilitate investment on their lands.

- Special Initiatives – The FNTC and other First Nation institutions help fill some of the legal and administrative gaps leading to market failure on First Nation lands. To fill the other elements necessary to support markets, the FNTC is undertaking a number of special initiatives relating to expanding First Nation revenues, creating land title certainty, ensuring greater First Nation access to markets through expedited additions to reserve processes, building home equity for First Nation citizens through open market housing and ensuring competitive economic infrastructure through the First Nations Infrastructure Fund (FNIF).

- Transferring Knowledge – First Nations interested in pursuing this strategy must be able to implement a new market orientated legal and administrative structure within their communities. Transferring the necessary administrative knowledge, skills, and practices is why the FNTC is working with the Tulo Centre of Indigenous Economics and Thompson Rivers University (TRU) to offer certificate programs in First Nation Applied Economics, First Nation Public Administration (Taxation), and eventually, a diploma in First Nation Public Administration (Public Finance).

The table below briefly summarizes what is required to make markets work on First Nation lands as identified by the research, the institution, or initiative that is dedicated to addressing this issue and the FNTC's strategy for 2008/2009.

Market Requirement on First Nation Lands	Institution(s) or Initiative to Address Market Requirement	2008/2009 FNTC Strategy
Clarity of First Nation revenues and service responsibilities	<ul style="list-style-type: none"> • FSMA standards • FSMA expanded revenue options • First Nation GST • National Centre for First Nations Governance 	<ul style="list-style-type: none"> • Provide sample laws, support and training • FNGST project with Finance Canada • Establishing working relationship with the National Centre for First Nations Governance
Access to same infrastructure financing tool as other governments	<ul style="list-style-type: none"> • FSMA expanded revenue options • FSMA generated credit rating for FNFA debentures • Greater FSMA First Nation access to First Nations Infrastructure Fund (FNIF) 	<ul style="list-style-type: none"> • Provide sample laws, support and training • Working relationship with FNFA and FMB • Partnership with FMB and FNIF to support FSMA First Nations
Clarity about land management rules and processes	<ul style="list-style-type: none"> • <i>First Nations Land Management Act</i> (FNLMA) and Lands Advisory Board (LAB) 	<ul style="list-style-type: none"> • Working relationship with LAB to promote land codes among FSMA First Nations
Land tenure and/or land title certainty	<ul style="list-style-type: none"> • FNLMA regulations • <i>First Nations Commercial and Industrial Development Act</i> (FNCIDA) regulations in development • Land Title Project 	<ul style="list-style-type: none"> • LAB working relationship • Support to FNCIDA First Nations as requested • Research to identify land title certainty options
Timely and reliable information to facilitate investment	<ul style="list-style-type: none"> • FNSI • FMB financial and FNTC taxation related information 	<ul style="list-style-type: none"> • Establish working relationship with FNSI and FMB to coordinate information requirements
Responsive and professional administrations to facilitate investment	<ul style="list-style-type: none"> • Certificates in First Nation Applied Economics and Public Administration • FMB and National Centre for First Nations Governance support 	<ul style="list-style-type: none"> • Begin to offer certificate courses through Tulo Centre and TRU • Working relationship with FMB and National Centre for First Nations Governance
Improved First Nations access to labor, goods, capital and housing markets	<ul style="list-style-type: none"> • ATR project • Home equity through open market housing • Land title project 	<ul style="list-style-type: none"> • Explore legislative options to expedite ATRs • Provide models and templates to First Nations interested in open market housing

External Risks and Strategies

In the 2007/2008 planning period, the FNTC identified the following external risks:

- Uncertainty as to the amount of time it would take First Nations to convert their laws to comply with the FSMA framework and the amount of time it would take the FNTC to review and approve laws pursuant to the FSMA.
- The FNFA will want to issue debentures for qualified First Nations scheduled on the FSMA as soon as possible.
- First Nations participating in FSMA will have high expectations for near term access to capital through FNFA debentures.
- The amount of time it will take to develop, in cooperation with the other FSMA institutions, a comprehensive FSMA borrowing structure is uncertain.
- Financial support for a First Nation infrastructure program to help First Nations participate in FSMA borrowing and complete the associated FSMA borrowing requirements has not been secured.
- Canada will determine the role of the FNTC in special projects relating to First Nations Goods and Services Tax (FNGST), expediting additions to reserve, open market housing, and land title certainty during 2007/2008.
- The amount of time it will take to develop the supportive agreements and accreditation through Thompson Rivers University to create an accredited Certificate program in First Nation Public Administration (Taxation) is uncertain.
- The number of s. 33 (FSMA) complaints launched which may be launched between January and March 2008 is unknown.
- The number of First Nations who will want to have presentations from the FNTC on the new system is growing.
- The number of First Nations who may want to have their name added to or withdrawn from the schedule is unknown.

The table below summarizes the FNTC success analysis of its 2007/2008 risk management strategy.

2007/2008 Risk	2007/2008 Strategy	Assessment
Time to convert s.83 laws to FSMA	<ul style="list-style-type: none"> • Provide sample laws • Allocate human resources to support FSMA First Nations • Develop a FSMA law conversion program 	Strategy is working but risk remains for 2008/2009
Institutional coordination demand	<ul style="list-style-type: none"> • Identify discrete projects • Complete MOUs • Allocate resources • Special edition of <i>First Nations Gazette</i> for debenture standards 	Demand higher than expected 2008/2009 risk management strategy adjusted accordingly
FNTC role in special initiatives uncertain	<ul style="list-style-type: none"> • FNGST and Finance Canada communications • Seek resources for other projects • Reallocate resources as required 	Support for land title project and FNGST extended – risk remains in 2008/2009 for open market housing and ATRs
FSMA infrastructure program	<ul style="list-style-type: none"> • Continue work with INAC • Allocate resources to policy design • Work with First Nation leadership 	Received preliminary support from Minister to work with First Nations Infrastructure Fund – risk reduced
Accreditation development time	<ul style="list-style-type: none"> • Devote resources • Establish an agreement with TRU 	Accreditation proceeding and risk removed
s.33 complaints process demand	<ul style="list-style-type: none"> • Timing for activating schedule • FSMA law review for Jan 2008 • Complaints process ready for Jan 2008 	Risk remains for 2008/2009
Presentations and communications demand	<ul style="list-style-type: none"> • Expand communications capacity • Reallocate resources as required • Alternative options for information delivery 	Strategy is addressing risk but demand remains high for presentations
FSMA First Nations opting out	<ul style="list-style-type: none"> • Develop procedure with Canada for withdrawing from schedule 	Risk remains for 2008/2009

In addition to the external risks carried over from the previous planning period, the FNTC has identified the following new external risks:

- increase in demand for infrastructure planning support;
- increase in demand for Certificate in First Nation Public Administration – Taxation;
- increase in demand for implementing taxes on business activities, DCCs and for the provision of local services.

Based on the previous and emerging external risks, the table below summarizes the projected risks and suggested strategies to mitigate those risks for the FNTC 2008/2009 Corporate Plan.

Risk	Strategy
The amount of time it will take First Nations to convert their laws to comply with the FSMA framework and to review those laws	<ul style="list-style-type: none"> • Provide sample laws • Allocate resources and staff to work with scheduled First Nations and review laws • Implement FSMA law conversion program for scheduled First Nations
Demand from other institutions and First Nations relating to debentures and other institutional coordination issues	<ul style="list-style-type: none"> • Identify discrete projects with timelines with other institutions • Allocate more resources for extra meetings with other institutions
Infrastructure Program Implementation delayed	<ul style="list-style-type: none"> • Work with First Nations Infrastructure Fund (FNIF) • Seek resources to help FSMA First Nations access FNIF funding
FNTC role in FNGST and other projects uncertain	<ul style="list-style-type: none"> • Reallocate resources to implement FNGST proposal • Continue to seek long term funding commitments for Land Title and ATR projects
Demand for review of FSMA laws and s.33 complaints higher than expected	<ul style="list-style-type: none"> • Implement FNTC dispute management policy • Allocate resources as required • Utilize panel of commissioners as necessary
Meeting and communications requests higher than expected	<ul style="list-style-type: none"> • Continue with strategy to allocate resources and Commissioner time to respond to requests for presentations
FSMA First Nation withdrawing from schedule	<ul style="list-style-type: none"> • Continue to develop FNTC policy to facilitate a First Nation withdrawing from the schedule • Continue to work with Canada to develop procedure for withdrawing from schedule
Increase in demand for infrastructure planning support	<ul style="list-style-type: none"> • Develop curriculum for infrastructure plan development through Tulo Centre of Indigenous Economics • Work with First Nations to access FNIF
Increase in demand for Certificate in Public Administration - Taxation	<ul style="list-style-type: none"> • Communicate certificate course calendar to FSMA First Nations • Evaluate demand for courses and certificate completion • Reallocate resources if necessary
Increase in demand for FSMA laws for business activities, DCCs and provision of local services	<ul style="list-style-type: none"> • Develop sample laws and law review standards • Provide support as requested by interested FSMA First Nations

Assessment of Corporate Resources

In July 2007, the FNTC acquired nearly 20 years of experience, goodwill, excellent reputation, and assets from the Indian Taxation Advisory Board (ITAB). This included ITAB policies and procedures, ITAB research, proprietary software designed for the First Nation property tax system, model dispute resolution systems, and the *First Nations Gazette*.

The FNTC has built upon the ITAB legacy. In the last nine months, the FNTC has developed 5 sample FSMA laws, 5 law review standards, updated 6 ITAB policies, and formed a partnership with the Tulo Centre of Indigenous Economics and Thompson Rivers University (TRU) to meet its education and training mandate. The FNTC has established a roster of mediators and a s.33 complaints process, provided 2 orientation sessions to Commissioners and staff, signed MOUs with 5 other First Nation institutions, developed and implemented capital plans, and hired staff. While building internal capacity, the FNTC also helped three First Nations convert their laws to the FSMA standard and recommended 96 s.83 by-laws to the Minister of Indian Affairs for approval pursuant to the Memorandum of Understanding.

The financial plan describes the level of financial resources that the FNTC will require in 2008/2009. This plan incorporates best estimates of the anticipated demand for services based on the FNTC's experience in 2007/2008 and ITAB's 17 years of experience managing the First Nation property tax system.

As was identified, planning for space requirements for the Head Office is complete, work on acquiring long term accommodation will continue in 2008/2009. Head Office requirements for information technology, management, and records classification will be implemented in 2008/2009. The FNTC acquired new facilities and completed leasehold improvements for its Eastern Office in the National Capital Region in 2007/2008.

FNTC Services to s.83 Tax Authorities

In 2008/2009, the FNTC will continue to provide services to all property tax collecting First Nations whether they use the authority of the FSMA or s.83 of the *Indian Act*. The services to s.83 First Nations differ from the services provided to FSMA First Nations. The table below summarizes the services that the FNTC will provide to s.83 First Nations.

s.83 Service Area	FNTC Services to s.83 tax authorities
Policy Development	<ul style="list-style-type: none"> • Develop, manage and monitor 16 s.83 policy areas • Address emerging s.83 policy issues as required • Consult on s.83 policies with stakeholders • Review and approval of s.83 policies • Implement policies through training and by-law review
By-law Review	<ul style="list-style-type: none"> • Develop and manage s.83 sample by-laws • Develop and manage s.83 by-law review standards • Commission review and recommendation of s.83 by-laws • Liaise with INAC on s.83 by-laws • Liaise with <i>First Nations Gazette</i> on editing and drafting of s.83 by-laws
Education and Training	<ul style="list-style-type: none"> • Develop, manage and monitor s.83 course curricula • Deliver s.83 courses • Evaluate and improve s.83 courses
Dispute Management	<ul style="list-style-type: none"> • Provide suasion, education, training and facilitation services to s.83 tax authorities as requested • Maintain informal s.83 complaints process • Provide support to service agreement negotiations and negotiations with respect to jurisdiction
Corporate Services and Registrar	<ul style="list-style-type: none"> • Provide management and support to meet s.83 administrative requirements • Register approved s.83 by-laws with INAC and maintain a s.83 by-law registry • Transmit approved by-laws for publication in the <i>First Nations Gazette</i>

OBJECTIVES, STRATEGIES, AND PERFORMANCE MEASURES

Objectives, strategies, and performance measures have been identified for each FNTC business line:

- Corporate Services and *Gazette*
- Policy Development
- Law Review, By-law Review and Regulations
- Education
- Communications
- Dispute Management

Corporate Services

The objective of Corporate Services is to operate the FNTC in keeping with the FSMA Part 2 and Part 6 and the Corporate Plan, in order to create an effective work environment for the other service areas. Corporate Services is also responsible for the management of the *First Nations Gazette*.

2007/2008 Accomplishments

- Corporate Plan – The 2008/2009 Corporate Plan completed in February 2008.
- Capital Plans – The capital plan for the Eastern Office in the National Capital Region relocation was implemented and the concept drawings for the redesign of the Head Office were completed in March 2008.
- Evaluation System – A comprehensive file classification system proposal to facilitate the FNTC records management, evaluation and reporting system was completed in February 2008.
- Security – Development of security policies for file retention and management were completed in March 2008.
- Human Resource and Benefits Plan – Options related to benefits, accessing the public service pension plan and job descriptions completed in March 2008.
- FNTC Meetings and Orientation – The FNTC held 4 meetings of the full Commission and 2 orientation sessions.
- Resources for Special Projects – The FNTC has received funding for phase 2 of the land title project. In addition, in November, the Minister of Indian Affairs expressed support for using a portion of the First Nations Infrastructure Fund (FNIF) in support of FSMA First Nation infrastructure planning requirements and FNTC initiatives relating to the First Nations GST and open market housing on First Nation lands.
- Sample Laws in *Gazette* – The sample laws for assessment, property taxation, expenditures, rates and borrowing were published in the *First Nations Gazette* in March 2008.

2008/2009 Corporate Services Strategies

In 2008/2009 Corporate Services will undertake the following strategies and activities to achieve its objectives.

Corporate Plan – Preparation of the draft 2009/2010 Corporate Plan will be completed for review by February 2009.

Facilities Management – Corporate Services will obtain and maintain utility, security, records and telecommunications services including office furnishings and equipment. Corporate Services will implement the FNTC information management plans, records classifications and management system and security clearance program. Some Head Office capital planning and improvements will be implemented in 2008/2009.

Evaluation System – Corporate services will implement the evaluation and security plans and policies. Corporate Services will also prepare a performance measures evaluation report by January 2009.

FNTC Meetings – The FNTC will focus on FSMA First Nation transition and support. To address requirements for support and law review, Corporate Services will provide the logistics and organization for four FNTC meetings.

Annual General Meeting – Corporate Services will coordinate and develop materials for the FNTC annual meeting of stakeholders, tentatively scheduled for October 2008.

FNTC Administrative Management – Corporate Services provides for the overall management of the Commission and the operations Secretariat. Services provided include financial, human resources, benefit programs, insurance, audit, and administrative services to the organization. Corporate Services is responsible for meeting corporate planning and reporting requirements as well as coordinating the annual general meeting. In this fiscal year Corporate Services will be responsible for coordinating a submission to Treasury Board to seek grant funding authority for the FNTC. Corporate Services also has a lead role in ensuring organizational Access to Information and Privacy (ATIP) requirements are met, and in corporate policy development and implementation.

FNTC Committee Management – Corporate Services will provide assistance as required to the FNTC audit, executive management, management, and special projects committees and coordinate and deliver FNTC orientation sessions. It will also be responsible for supporting FNTC Annual Corporate Plan - 2008/2009

Law and By-law Registries – Corporate Services will be responsible for all records maintenance and information management associated with the FNTC including the registry of First Nation laws approved by the Commission and First Nation by-laws recommended by the Commission and approved by the Minister.

Manage *First Nations Gazette* – Corporate Services will work with the *First Nations Gazette* as per the FNTC-*First Nations Gazette* MOU and contract. In 2008/2009 *Gazette* activities will include the development of a *First Nations Gazette* website, a payment option plan, the continued development of an online *Gazette*, and development of policies for the publication of non-FSMA laws.

Manage First Nation Support Program – Corporate Services will continue to operate and manage the FSMA First Nation support program as per FNTC policy.

Manage Special Initiatives – The FNTC will continue to work on the following special initiatives in 2008/2009.

- First Nations Infrastructure Fund (FNIF)
– The FNTC will seek funding to provide professional support to assist FSMA First Nations in developing strong proposals for planning and/or infrastructure funding from the FNIF.
- First Nations GST – In 2008/2009 the FNTC will develop a working agreement with the Finance Canada so that the FNTC can provide services to First Nations interested in implementing the First Nations GST relating to promotion, education and possibly sample laws.
- First Nations Land Title – Corporate Services will continue to coordinate and commission research that will improve land title certainty on First Nation lands. The FNTC will seek a multi year funding commitment for the First Nation Land Title initiative.
- Expediting Additions to Reserve (ATRs)
– The FNTC will continue to seek funding to coordinate research for expediting ATRs, including obtaining First Nation input.

- Legal Framework to Expand Residential Tax Base – The FNTC will seek resources to develop model lease and development agreement templates and make presentations to First Nations interested in implementing the legal framework necessary to obtain non-guaranteed mortgage financing for residential developments on First Nation lands. This project supports expanding the First Nation revenue base and improved taxpayer relations.
- Improving the Framework for Local Revenue Laws – The FNTC will seek funding to work on research and other projects that improve the framework for local revenues. This includes projects that either clarify the First Nation fiscal framework or improve the First Nation investment climate so that First Nation local revenue options can be expanded.

Performance Measures

- Annual General Meeting held
- Corporate Plan, Annual Work Plan and Budget produced and approved
- Implement information management plan and security clearance program
- Prepare performance measures evaluation report
- Implement human resources and benefits plan
- Develop grant authority application for Treasury Board
- 4 FNTC meetings
- *First Nations Gazette* published
- Support provided to 10 First Nations

Policy Development

The objective of Policy Development is to develop and implement, through a transparent policy development process, effective standards and policies that support sound administrative practices and increase First Nation, taxpayer, and investor confidence and certainty in the integrity of the First Nation local revenue system (s.29(a)(b)(d) and (g)).

2007/2008 Accomplishments

In 2007/2008, Policy Development completed the following:

- 5 Law Review Standards – Law review standards have been completed for assessment, property tax, expenditure, rates and borrowing.
- Business and Borrowing Law Policy Development – Substantial policy research has been completed relating to the criteria for borrowing law approval and the scope of taxes on business activities.
- 5 s.83 Policies – The FNTC has updated s.83 policies relating to assessment, property tax, expenditure, rates.
- 4 projects with other institutions – The FNTC is working with the FMB on financial management by-law transition, FMB intervention processes and local revenue account audit requirements. The FNTC is also working with the FNFA on the borrowing law and borrowing agreements.

2008/2009 Policy Development Strategies

In 2008/2009, Policy Development will undertake the following strategies and activities to meet its objectives.

Standards for Laws – Policy Development will follow the development process for law review standards to develop 5 new law standards in 2008/2009. The standards development process begins when the FNTC directs the FNTC staff, in consultation with policy and legal advisors, to create a preliminary working draft of the proposed standard. An FNTC policy working group develops and reviews this draft addressing the technical requirements of the work. The working group will be composed of FNTC staff and invited experts. The draft standard is then presented to the FNTC for review, revision and FNTC approval. Public input is sought once a draft standard has been approved by the FNTC. In 2008/2009, Policy Development will develop and seek public input on law review standards relating to

- Development cost charges
- Taxpayer relations
- Delegation to a third party
- Taxation for the provision of services
- Taxation of business activities law (One sample)

Other standards and procedures – Policy Development will work with Law Review to develop standards and procedures under s. 35 of the FSMA for

- Submission of information required under s. 8 of the FSMA
- Criteria for the approval of borrowing laws
- First Nation law publication requirements
- First Nation law registry
- Procedures for the submission and approval of FSMA laws
- Amendment of FNTC standards to ensure First Nation compliance with the *First Nations Gazette* Style Guide

s.83 Policies – Specific tasks associated with s.83 policy development include designing, developing, and managing policies. These policies have to be monitored and modified as required. Emerging policy issues have to be addressed. Substantial consultation is required on all s.83 policies. These s.83 policies must pass through the FNTC policy review and approval process. Finally, new or modified s.83 policies must be implemented through the by-law review, dispute resolution or education and training processes. Policy Development will seek public input on s.83 policies relating to

- Local improvement by-laws
- Taxpayer relations by-laws
- Dispute management
- Business license by-laws

Policy Discussion Papers –

In 2008/2009 Policy Development will develop policy discussion papers and seek public input through focus groups for

- Two other potential business activities tax laws
- FNTC initiated reviews
- Options for being removed from the FSMA schedule
- Taxpayer notification
- Non-band participation in the FSMA through s.141 regulations
- Public input process for FNTC standards, procedures and policies
- Procedures for the representation of taxpayer interests

Policies Initiated – In 2008/2009 Policy Development will initiate the formal FNTC policy development process for

- Registering First Nation laws
- Procedure for removal from the FSMA schedule

3 Projects Completed With Other Institutions – Policy Development will complete projects relating to

- FNTC standards for the financial management by-law
- Coordination procedures for s. 33 intervention orders with the FMB
- Borrowing law approval criteria with the FNFA

Performance Measures

- 5 FNTC approved law standards published in the *First Nations Gazette*
- 6 other s.35 procedures and/or standards
- Public input through focus groups on 5 law review standards
- 4 s.83 approved policies
- 7 policy discussion papers
- 3 projects completed with other fiscal institutions

Law, By-law Review and Regulations

The objective of FSMA Law Review is to ensure the integrity of the First Nations real property taxation system and promote a common approach to First Nations real property taxation nationwide, having regard to variations in provincial real property taxation systems. This is accomplished by approving laws that comply with the FSMA and the associated regulatory framework and by providing support, such as sample laws, to First Nations in the law development process.

2007/2008 Accomplishments

- 5 sample laws – Sample laws have been completed for assessment, property tax, expenditure, rates and borrowing laws.
- 3 First Nations converted for FSMA – Law Review helped Tsawout, Songhees and Metepenagiag First Nations pass their FSMA laws by March 2008.
- 7 regulations complete – Regulations have been developed for FNTC review procedures, local revenue law review, enforcement, assessment appeals, assessment inspection, tax rate and expenditure law timing and CPR tax rates.
- s.33 complaints process – An overview of the s.33 complaints process was made to the Commission at its December meeting.
- 96 by-laws recommended – 96 First Nation s.83 by-laws were reviewed and recommended for Ministerial approval in 2007/2008.

Strategies and Activities for 2008/2009

In 2008/2009 Law Review will undertake the following strategies and activities to achieve its objectives

5 sample laws – Law Review will complete sample laws for:

- DCCs
- Taxpayer representations
- Delegation to a third party
- Taxation for the provision of services
- One business activity tax law

15 First Nations Converted for FSMA

– Law Review will assist First Nations converting their s.83 property tax by-laws to FSMA local revenue laws through the First Nation by-law conversion program. Law Review will help 15 additional First Nations convert their laws to the FSMA system.

80 By-laws reviewed

– Law Review will also support s.83 by-law review. By-law review for s.83 by-laws differs from FSMA law review in three ways: the nature of the by-laws; the review standards; and the review process. Law Review will also be responsible for the coordination and liaison with INAC relating to the recommendations and approval by the Minister of s.83 by-laws. Law Review will conduct at least 80 reviews of s.83 rates, expenditure, property taxation, or assessment laws for the FNTC to recommend or not recommend to the Minister of Indian Affairs.

60 FSMA laws reviewed – Law Review will review all local revenue laws submitted by First Nations for compliance with the FSMA, its regulations, and FNTC standards and policies. If deficiencies are identified, Law Review will work with the First Nation to revise and draft the law. If the law is in compliance, the Commission will recommend it for approval. The Commission will make the final determination to approve the law. If the law is approved it will be registered in the FSMA Registry pursuant to s.31 (4) of the FSMA. Law Review will provide at least 60 reviews of FSMA rates, expenditures, property taxation, or assessment laws to the FNTC to be approved or returned for revision. Law review will also support records managements related to law registry.

Regulation Development – Law Review will work with Canada on s. 141 regulations as requested by First Nations. These regulations will allow First Nations that are part of a self-government agreement or treaty such as Westbank or Tsawwassen to be part of the FSMA.

Compliance and Enforcement – The s.33 formal complaints process requires the FNTC to apply a quasi-judicial procedure. Law Review will support Dispute Management as required to ensure that the s.33 complaints process is responsive and operational if it is required during the Corporate Plan period. Law Review will also undertake additional compliance and enforcement activities outside of Dispute Management.

FSMA legislative amendments – Law Review will develop a series of possible FSMA legislative amendments for FNTC review.

Legal Developments – Law Review will continue to monitor legal developments that may affect First Nation local revenues and may intervene in the interests of the First Nation property tax system. Where necessary, it will work with Policy Development as well as reviewing and updating sample laws as needed, communicating legal developments within the FNTC and, in conjunction with Communications, informing stakeholders of significant developments.

Performance Measures

- 5 sample laws developed
- 15 First Nation laws converted to FSMA
- 60 FSMA laws reviewed for FNTC approval
- Regulation development
- 80 by-laws reviewed for recommendation to the Minister
- s.33 (FSMA) complaints process operational

Education

The objective of Education is to promote understanding of the real property taxation systems of First Nations, develop training programs for First Nation real property tax administrators, and build capacity in First Nations to administer their taxation systems (s.29(e)(f) and (h)).

Accomplishments in 2007/2008

- MOU between FNTC and Thompson Rivers University (TRU)
- MOU between FNTC and Tulo Centre of Indigenous Economics
- 3 FNTC courses accredited – Courses in First Nation Economics, First Nation Investment Facilitation and Residential and Commercial Development on First Nation Lands have been accredited as 3 credits each. The Certificate in Applied First Nation Economics (6 courses in total) was also accredited.
- 4 courses delivered – The First Nation Economics course was delivered in January and an Introduction to First Nation Taxation was delivered three times in March.
- Education Model Report – The FNTC Education Model Report was presented to the FNTC at the September meeting. This report helped to establish the partnership between the FNTC, Thompson Rivers University (TRU), and the Tulo Centre of Indigenous Economics.

The FNTC – TULO – TRU Education Strategy

The FNTC will implement the approved FNTC education strategy in 2008/2009. In particular, FNTC education activities will be undertaken through contract with the Tulo Centre of Indigenous Economics and Thompson Rivers University.

The partnership between the Tulo Centre of Indigenous Economics, Thompson Rivers University and the First Nations Tax Commission is intended to provide students with an understanding on how to provide administrative and legal certainty and quality infrastructure to facilitate investment on First Nation lands. In particular, each of the proposed certificate programs targets a specific administrative and/or legal gap missing for First Nations.

Certificate in First Nation Public Administration – Taxation

This certificate is intended for students interested in becoming or continuing to be a First Nation tax administrator. The certificate provides students with an understanding of how to develop, implement and manage the legal and administrative aspects of a First Nation local revenue system. A theme in all of the courses will be managing a tax system that encourages investment. In this regard, students would take two courses in the Certificate of Applied First Nation Economics – Introduction to Basic Economics and Issues in Aboriginal Economics. The courses that make up this proposed certificate are:

- An Introduction to First Nation Taxation, Assessment and Assessment Appeals, Budgeting and Tax Rate Setting, Administration – Tax Notices, Collecting and Enforcement, Communications and Taxpayer Relations, Service Agreements and Joint Contracts, Development Cost Charges, First Nation Infrastructure, Capital Planning and Debentures (optional)

Certificate in Applied First Nation Economics

This certificate is intended for students serving in First Nation public administration. It provides students with an understanding of how to establish a First Nation governance system that encourages investment. It focuses on understanding the requirements of investors and the role of government in meeting these requirements. Students completing this certificate should understand the theory of how governments support markets and know how to design a local economic institution that is responsive to investors. The courses that make up this certificate are:

- ECON 122 Introduction to Basic Economics, ENGL 181 Business, Professional, and Academic Composition, ECON 263 Issues in Aboriginal Economics, ECON 264 Residential and Commercial Development on First Nations Lands, ECON 265: Investment Facilitation on First Nation Lands, ECON 270: Introduction to Cost – Benefit Analysis for Investment Projects on First Nations Lands

First Nation Public Administration Diploma

This diploma would provide a two-year program for students interested in acquiring a deeper understanding of First Nation investment facilitation and administration. It would combine the Applied Economics and Tax Administration Certificates along with two additional courses in First Nation public administration.

It is proposed that the following core and optional courses would make up the diploma in First Nation Public Administration:

- Any 5 courses from the Certificate in Applied First Nation Economics
- Any 7 courses from the Certificate in Public Administration – Taxation
- Policy Issues in First Nation Taxation, and
- Public Finance and First Nation Fiscal Relationships

Strategies and Activities for 2008/2009

In 2008/2009 Education will undertake the following activities and strategies to meet its objectives.

Curriculum for 4 courses completed – In 2008/2009 the Tulo Centre will complete the curriculum for the Introduction to First Nation Taxation, Assessment and Assessment Appeal, Budget Based Tax Rate Setting and Property Tax Administration.

4 courses accredited – The Tulo Centre will work with TRU to ensure that all seven courses in the Certificate of First Nation Public Administration – Taxation are accredited in 2008/2009. If not all of the courses can be accredited, accreditation will be sought for the 4 courses for which the curriculum will be finalized in 2008/2009.

9 courses delivered – At least nine courses in the Certificate in Applied First Nation Economics and the Certificate in First Nation Public Administration – Taxation will be delivered. These will either be courses delivered in the Thompson Rivers University semester system or one week intensive courses delivered in July, September, November or March. The goal is to ensure that tax administrators can complete the Certificate in First Nation Public Administration - Taxation within 18 months.

Distance Learning Options – The Tulo Centre and TRU will begin to explore which courses might be suitable for delivery through distance learning. A report on this research will be presented to the FNTC in 2008/2009.

Support for users of FNTC software – The FNTC will review its tax administrative software and consider options for providing technical support to users of FNTC property tax software.

Performance Measures

- 4 courses developed
- 4 courses accredited
- 9 courses delivered
- Distance learning options report

Communications

FNTC Communications promotes the understanding of the First Nation real property taxation system (s.29(h)).

Accomplishments in 2007/2008

- National Tax Meeting – The meeting of FSMA First Nations was held in October
- Website – Updates and redesign of the FNTC website were completed in February 2008
- *Official Languages Act* – The FNTC services are provided in both official languages

Strategies and Activities for 2008/2009

Communications will undertake the following strategies and activities in 2008/2009 to meet its objectives.

FNTC Corporate Communications – FNTC Communications will develop and distribute the *Clearing the Path* newsletter. It will also assist with the preparation of communications materials, develop presentations and press releases; coordinate responses to the media, and develop opinions, editorials, articles, and information brochures. Communications will also be responsible for FNTC displays at conferences, trade shows, and workshops. It will prepare materials for FNTC meetings and conferencing between FNTC offices.

FNTC Branding – Communications will coordinate a facilitated exercise to develop a plan to establish and promote the FNTC brand. Elements of this plan will include message consistency, staff and commissioner training, and implementation.

Meeting of Taxing First Nations – Communications will coordinate with the First Nations Tax Administrators Association (FNTAA) a meeting for taxing First Nations in conjunction with the FNTAA's annual meeting. This meeting is tentatively scheduled for October 2008.

Conference for Legal Practitioners – Communications will work with Law Review and other potential partners and sponsors to develop and coordinate a conference about the implications and implementation of the FSMA for legal practitioners. This conference is tentatively scheduled for February 2009.

Annual Report – Communications will prepare the FNTC annual report within ninety days of March 31, 2008.

Website redesign – Communications will redesign the FNTC website to ensure that it meets current industry practices and standards.

Website maintenance – Communications will continue to update and maintain the FNTC website throughout the Corporate Plan period.

Presentations – Communications will coordinate and develop FNTC presentations and slideshows to interested First Nations and other stakeholders as requested.

Official Languages Act – Communications will ensure the *Official Languages Act* requirements (s.139(1)) are met. It will be responsible for translation of documents.


Performance Measures

- Plan to establish and promote the FNTC brand
- Annual meeting for taxing First Nations
- Redesign and maintain web site
- *Official Languages Act* requirements
- Translation of documents
- Presentations to taxpayers and First Nations


Dispute Management

The objective of Dispute Management is to prevent or provide for the timely resolution of disputes in relation to the application of local revenue laws (s.29(c)).

Accomplishments in 2007/2008

- Roster of mediators – The dispute management policy for the roster of mediators was presented to the FNTC at its December meeting. The initial roster of mediators was identified in March
- Training materials for mediators – Training materials for potential mediators were prepared by the Consensus Building Institute (CBI) in March 
- Requests for facilitation – The FNTC will continue to respond to requests for facilitation such as the Matsqui First Nation (BC) relating to billboards and from the Kwantlen First Nation (BC) relating to a service agreement with the District of Maple Ridge

Strategies and Activities for 2008/2009

Voluntary Facilitation – Dispute Management will provide informal facilitation between First Nation tax authorities, their taxpayers, and others as required in order to resolve disputes as early as possible. 

Roster of Mediators – Dispute Management will also develop, train, and maintain a roster of mediators from across the country that parties can turn to for assistance in resolving property tax disputes.

Mediator Training – The FNTC will develop and deliver a real property taxation policy training program for mediators wishing to be included on the roster of mediators. This will enable them to develop skills and knowledge specific to the First Nation local revenue system.

Requests for Facilitation – The FNTC will continue to respond throughout the Corporate Plan period to requests for facilitation as per its dispute resolution policy. Dispute Management will also assist First Nations in negotiating service agreements with neighboring municipalities and negotiations with other governments related to tax jurisdiction, assessments and new revenue options.

Section 33 Complaints Administration – Dispute Management will implement, provide training and administer the compliance review process for complaints and FNTC initiated reviews pursuant to the FNTC Review Procedures Regulations, including FNTC hearings and the implementation of the FNTC's orders.

Section 83 Dispute Management – The FNTC will encourage informal representations by taxpayers and other parties within the s.83 system. As there are no mechanisms in the s.83 system to ensure that First Nations make changes in response to complaints, the FNTC will use suasion, training and facilitation services to implement suggested policy or other types of changes. This generally requires significant consultation with First Nations.

Performance Measures

- Active Roster of mediators
- Mediation training delivered
- Respond to requests for facilitation by FSMA and s.83 First Nations

SUMMARY OF OBJECTIVES, STRATEGIES AND PERFORMANCE MEASURES

Business Line	Objectives	Strategies	Performance Measures
Corporate Services and Gazette	Operate FNTC in keeping with the FSMA to create an effective work environment and manage <i>First Nations Gazette</i>	<ul style="list-style-type: none"> • Develop Corporate Plan • Implement some capital improvements for Head Office • Provide facilities management as well as implement information management plan and security clearance program • Implement evaluation system and prepare performance measures evaluation report • Provide FNTC administration • Prepare grant application for Treasury Board • Provide committee management • Operate records, law and by-law registry • Manage the <i>First Nations Gazette</i> • Develop <i>Gazette</i> Website & Online version • Manage the First Nations Support Program • Manage Special Initiatives, including: <ul style="list-style-type: none"> • First Nation support for Infrastructure Fund proposals • First Nation Land Title Initiative • FNGST • Open Market Housing • Framework for local revenue laws • Expediting ATRs 	<ul style="list-style-type: none"> • Annual General Meeting held • Corporate Plan, Annual Work Plan and Budget produced and approved • Some capital improvements for Head Office • Grant application to TB • Implement information management plan and security clearance program • Prepare performance measures evaluation report • Implement human resources and benefit plan • 4 FNTC meetings • Annual meeting • <i>First Nations Gazette</i> published • On line <i>Gazette</i> • <i>Gazette</i> Website • Support provided to 10 First Nations
Policy Development	Develop and implement effective policies and standards that support sound administrative practices and increase First Nation, taxpayer, and investor confidence	<ul style="list-style-type: none"> • Develop and seek public input for law review standards relating to: <ul style="list-style-type: none"> • Development cost charges • Taxpayer relations • Delegation to a third party • Taxation for provision of services • One sample taxation of business activities law • Review and seek public input for s.83 policies relating to: <ul style="list-style-type: none"> • Local Improvement Charge by-laws • Taxpayer Relations by-laws • Dispute management • Business License by-laws • Develop policy discussion papers related to: <ul style="list-style-type: none"> • 2 other taxes on business activities laws • FNTC initiated reviews • Options for removal from the FSMA schedule • Taxpayer notification • Non-Band participation in the FSMA • FNTC public input process • Procedures for the representation of taxpayer interests • Initiate policy development related to: <ul style="list-style-type: none"> • Registering First Nation laws • Procedures for opting out of FSMA • <i>First Nations Gazette</i> Style Guide • Complete or initiate projects with other institutions related to: <ul style="list-style-type: none"> • FNTC standards for financial management by-laws • Coordination procedures for s.33 intervention orders with FMB • Borrowing Law approval criteria with FNFA 	<ul style="list-style-type: none"> • 5 law review standards approved and published in <i>First Nations Gazette</i> • 5 law review standards receive public input • 4 s.83 policies approved • 7 discussion papers approved by the Commission • 3 projects completed with other institutions • 1 s.83 policy amended

Summary Objectives, Strategies, Performance Measures

Business Line	Objectives	Strategies	Performance Measures
Law, By-law Review and Regulations	Ensure integrity of First Nation local revenue system and promote common approach nationwide	<ul style="list-style-type: none"> Develop 5 sample laws relating to: <ul style="list-style-type: none"> DCCs Taxpayer Representation Delegation to a third party Taxation for the provision of services One taxation of business activities law Assist 15 First Nations to convert s.83 by-laws to FSMA laws Review 80 First Nation by-laws Review 60 FSMA laws and support records classification Support s.33 complaints process and undertake other enforcement and compliance activities Develop proposal for legislative amendments to the FSMA Monitor legal developments 	<ul style="list-style-type: none"> 5 sample laws developed 15 First Nation laws converted to FSMA 80 First Nation by-laws reviewed 60 FSMA laws reviewed
Education	Promote understanding of local revenue system, develop training programs for administrators, and build capacity	<ul style="list-style-type: none"> Develop curriculum for 4 courses Accredit 4 courses through Thompson Rivers University Deliver 9 courses Develop distance learning options Provide support to users of FNTC software 	<ul style="list-style-type: none"> 4 Courses developed 4 courses accredited 9 courses delivered Distance learning options paper
Communications	Promote understanding of local revenue system	<ul style="list-style-type: none"> Redesign and maintain website Develop and begin implementation of the FNTC brand strategy Help coordinate annual meeting of taxing First Nations with FNTAA Develop and publish newsletter Help coordinate annual FNTC meeting Video conferencing between offices FSMA and legal practitioners conference Prepare Annual Report Develop materials for AGM Develop presentations to First Nations, taxpayers, and other stakeholders Meet OLA obligations 	<ul style="list-style-type: none"> Branding Strategy completed and implemented' Web site redesigned and maintained Presentations to First Nations and taxpayers developed OLA Implementation Translation of documents
Dispute Management	Prevent or provide for the timely resolution of disputes in relation to the application of local revenue laws	<ul style="list-style-type: none"> Voluntary facilitation to FSMA First Nations Develop and maintain roster of mediators Develop and deliver mediator training Implement and provide training for s.33 complaints process Respond to facilitation requests Voluntary facilitation services to s.83 First Nations 	<ul style="list-style-type: none"> Roster of mediators activated Training for mediators delivered Respond to requests for facilitation

WORK PLAN

Business Line	Activities	Expected Completion Date
Corporate Services	<ul style="list-style-type: none"> • Corporate Plan, work plan • Some Head Office capital improvements and planning • Performance Measures Evaluation Report • 4 FNTC meetings • Annual general meeting • Manage special projects • Manage <i>First Nation Gazette</i> • Manage First Nation Support Program • Human resources, management and finance • Record management and Registry 	February January January March October Ongoing Ongoing March Ongoing Ongoing Ongoing
Policy Development	<ul style="list-style-type: none"> • 5 law review standards • 5 other standards and procedures • 4 s.83 policies • 7 policy discussion papers • 3 projects underway with other institutions 	February March January March March
Law, By-law Review and Regulations	<ul style="list-style-type: none"> • 5 sample laws developed • 15 First Nations converted for FSMA • 80 by-laws reviewed • 60 FSMA laws reviewed • Legislative amendments identified • Legal developments monitored 	January March January January December Ongoing
Education	<ul style="list-style-type: none"> • Curriculum for 4 courses completed • 4 courses accredited • 9 courses delivered • Distance Learning Options Report • Support to users of FNTC software 	January September March March Ongoing
Communications	<ul style="list-style-type: none"> • FNTC branding report • Coordinate national tax meeting with FNTAA • Legal Practitioners Conference • Annual Report • Redesign and manage website • Presentations • <i>Official Languages Act</i> requirements 	December October February June Ongoing Ongoing Ongoing
Dispute Management	<ul style="list-style-type: none"> • Roster of mediators activated • Training for roster of mediators and FNTC • Respond to requests for facilitation • s.33 complaints process operational 	Ongoing December Ongoing Ongoing

The FNTC Management Committee will review work plan progress and make adjustments as required.

Financial Performance 2007/2008

The 2007/2008 FNTC fiscal period commenced on July 1, 2007 and ends on March 31, 2008. Canada approved the 2007/2008 FNTC Corporate Plan and provided funding to the FNTC of \$4,479,606 for operations and \$429,400 for capital planning and relocation costs for the 2007/2008 fiscal period. Below is an overview of the FNTC's projected performance for the 2007/2008 period, its first period of operations, against its plan with an explanation of significant variances.

Statement of Financial Position (in \$s)	
	2007/2008 Forecast
Assets	
Current Assets	
Cash	697,158
Prepaid expenses	9,000
Accounts receivable	583,680
	1,289,838
Capital Assets (net)	511,000
	1,800,838
Liabilities and Net Assets	
Current Liabilities	
Accounts payable	1,088,278
Accrued liabilities	199,274
	1,287,552
Net Assets	
Net assets invested in Capital Assets	511,000
Unrestricted net assets	2,286
	513,286
	1,800,838

Statement of Operations (in \$'s)		
	2007/2008 Forecast	2007/2008 Budget
Revenue		
Government of Canada	4,909,006	4,909,006
Government of Canada - Special Projects	314,128	-
Other	24,700	-
	5,247,834	4,909,006
Expenses		
Commission Costs	556,950	556,292
Corporate Services	752,950	736,498
<i>Gazette</i> Operations	268,490	263,835
Policy Development	720,290	787,229
Education	355,050	356,735
Dispute Management	166,560	161,918
Communication costs	788,290	738,724
Law Review, By-law review and Regulations	870,590	878,375
Research costs - special projects	314,128	-
Capital planning and relocation costs	452,250	429,400
	5,245,548	4,909,006
Net Surplus	2,286	-

Statement of Cash Flows		
		2007/2008 Forecast
Operating Activities		
Cash receipts from various sources		4,664,154
Cash paid to employees and suppliers		(3,966,996)
Cash flows from operating activities		697,158
Investing Activities		
Purchase of capital assets		511,000
Investment in capital assets		(511,000)
Cash flows from investing activities		-
Net increase (decrease) in cash and cash equivalents		697,158
Cash and cash equivalents, beginning of year		-
Cash and cash equivalents, end of year		697,158

Explanation of Variances Financial Plan 2007/2008

Overall, the FNTC is forecasting a surplus of approximately \$2,000 at fiscal year end. Both revenues and expenses are forecast to be approximately \$340,000 higher than budgeted. These variances are a result of special initiative and research projects anticipated to be undertaken by the FNTC which were not budgeted for at the beginning of the planning period. The Corporate Plan provided for the FNTC to seek resources to support the work and has received a commitment for funding from Canada to undertake research on two special projects. The financial forecast assumes that a funding agreement will be entered into with Canada for these projects prior to March 31, 2008 and that the projects will be completed prior to year-end.

Communication costs are anticipated to exceed budget due to additional costs being incurred as a result of increased interest in the FSMA and a larger than anticipated number of First Nation presentations. Capital planning and relocation costs are anticipated to exceed budget due to higher costs for supply and installation of the Information Management / Technology system. These additional costs will be offset by other revenue and lower than budgeted policy development costs.

Financial Plan 2008/2009 to 2012/2013

The proposed budget for the 2008/2009 fiscal year is balanced and has revenue and expenditures projected to be \$5.764 million. The proposed budget for 2008/2009 includes estimated special costs of \$100,000.

In the FNTC 2007/2008 Corporate Plan, the FNTC projected its net costs of operations for 2008/2009 to be \$6.0 million. Special costs were not included in the financial plan. At that time, the FNTC was forecasting its net operating requirements for 2008/2009 to be similar to 2007/2008 based on 12 months of operations and before special operating costs. The reduction in the projected cost of operations was achieved through organizational efficiency.

The table below contains the financial plan for the FNTC for 2008/2009 to 2012/2013. The following assumptions have been made in the preparation of the 2008/2009 financial plan:

- (a) The financial plans have been prepared based on a detailed review of the FNTC business lines and best estimates of management for the cost of activities under each business line.
- (b) The financial plans for the periods 2008/2009 to 2012/2013 cover the 12-month periods ending March 31.

- (c) Included in the financial plan is a provision for a salary increase of 2.5% per year to adjust for inflation. No provision has been made for any increase in Commissioner remuneration as these rates are determined and set by the Governor-in-Council.
- (d) The financial plan includes the estimated costs of continuing to provide services to First Nations under s.83.
- (e) Other income consists of interest income and *Gazette* sales.
- (f) Government holdbacks totalling 10% of annual funding are assumed to be released as follows: 75% prior to the fiscal year end and 25% subsequent to the fiscal year end.

Statement of Financial Position (in \$s)					
	2008/2009 Plan	2009/2010 Plan	2010/2011 Plan	2011/2012 Plan	2012/2013 Plan
<i>Assets</i>					
Current Assets					
Cash	354,743	359,772	363,099	361,930	365,202
Prepaid expenses	9,225	9,455	9,692	9,935	10,182
Accounts receivable	143,450	146,568	147,783	147,066	148,247
	507,418	515,795	520,574	518,931	523,631
Capital Assets (net)	437,352	291,570	194,381	129,588	86,392
	944,770	807,365	714,955	648,519	610,023
<i>Liabilities and Net Assets</i>					
Current Liabilities					
Accounts payable	300,876	304,147	303,692	296,684	295,885
Accrued liabilities	204,256	209,362	214,596	219,961	225,460
	505,132	513,509	518,288	516,645	521,345
Net Assets					
Net assets invested in Capital Assets	437,352	291,570	194,381	129,588	86,392
Unrestricted net assets	2,286	2,286	2,286	2,286	2,286
	439,638	293,856	196,667	131,874	88,678
	944,770	807,365	714,955	648,519	610,023

Statement of Operations (in \$'s)

	2008/2009 Plan	2009/2010 Plan	2010/2011 Plan	2011/2012 Plan	2012/2013 Plan
<i>Revenue</i>					
Government of Canada	5,738,000	5,862,714	5,911,328	5,882,653	5,929,881
Other	26,000	26,000	26,000	26,000	26,000
	5,764,000	5,888,714	5,937,328	5,908,653	5,955,881
<i>Expenses</i>					
Commission Costs	878,539	892,113	906,026	920,286	934,903
Corporate Services	1,077,906	1,027,353	1,027,411	1,053,097	1,079,424
Gazette Operations	322,546	335,060	342,763	350,659	353,203
Policy Development	847,351	915,555	937,194	959,374	972,108
Education	386,200	718,005	710,205	714,343	718,584
Dispute Management	260,246	266,739	273,383	273,180	279,635
Communication costs	729,930	605,019	618,379	632,073	646,112
Law Review, By-law review and Regulations	1,161,282	1,128,870	1,121,967	1,005,641	971,912
Special costs	100,000	-	-	-	-
	5,764,000	5,888,714	5,937,328	5,908,653	5,955,881
<i>Net Surplus</i>	-	-	-	-	-

Statement of Cash Flows					
	2008/2009 Plan	2009/2010 Plan	2010/2011 Plan	2011/2012 Plan	2012/2013 Plan
<i>Operating Activities</i>					
Cash receipts from various sources	6,204,230	5,885,596	5,936,113	5,909,370	5,954,700
Cash paid to employees and suppliers	(6,546,645)	(5,880,567)	(5,932,785)	(5,910,539)	(5,951,428)
Cash flows from operating activities	(342,415)	5,029	3,327	(1,169)	3,272
<i>Investing Activities</i>					
Purchase of capital assets	116,000	-	-	-	-
Investment in capital assets	(116,000)	-	-	-	-
Cash flows from investing activities	-	-	-	-	-
Net increase (decrease) in cash and cash equivalents	(342,415)	5,029	3,327	(1,169)	3,272
Cash and cash equivalents, beginning of year	697,158	354,743	359,772	363,099	361,930
Cash and cash equivalents, end of year	354,743	359,772	363,099	361,930	365,202

Special operating costs.

The FNTC special operating costs for 2008/2009 are \$100,000 for the development of s.141 regulations for self governing or treaty First Nations.

In addition, and as part of the FNTC's external risk management strategy, the FNTC has pledged resources for the development of strategies relating to institutional coordination, number of s.33 complaints, requests for presentations, FSMA laws, and training. It will be prudent for the FNTC to establish reserves for s.33 complaints, communications, and education within the next two fiscal years.

The current flexible transfer funding mechanism falls short of addressing the institutional independence for an administrative tribunal intended by the FSMA legislation. The FNTC will continue to seek a grant funding authority in 2008/2009 based on the financial projections in this plan to provide greater transparency and certainty.

The FNTC has also budgeted for independent revenues from interest and *First Nations Gazette* sales. These revenues are expected to be minor in relation to the operating budget for the FNTC for the year, but have been outlined on the financial plan and reduce the federal funding requirements for 2008/2009.

The chart below summarizes FNTC expenditures by major activities. In 2008/2009, 85% of FNTC expenditures will be made to provide services to First Nations exercising their tax authority under the FSMA or s.83 of the *Indian Act* and 15% of total expenditures will be devoted to Commission costs.

