



Aboriginal Affairs and
Northern Development Canada

Affaires autochtones et
Développement du Nord Canada



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First Nations Oil and Gas and Moneys Management Act

Saskatoon, SK

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FNOGMMA MONEYS MANAGEMENT IMPLEMENTATION

1. Overview of First Nations Oil and Gas Moneys Management Act (FNOGMMA)
2. Indian Moneys
3. Entry Process
4. Development Process
 - Financial Code
 - Payment Agreement Development
 - Funding
5. Community Ratification Process
6. Payment of Moneys Process



1. Overview of FNOGMMA

Mechanism in place to transfer management of Indian Moneys to First Nations.

The Act provides First Nations with the option of managing its own source revenue held in departmental trust under section 7 and for regulating oil and gas exploration under section 6.

FNOGMMA provides:

- Modern flexibility
- Investment options available
- Access – transferring of funds as per payment agreement
- No involvement of Minister/department as Section 61 to 69 of the Indian Act no longer apply.



2. Indian Moneys

- Section 61 – 69 of the *Indian Act* relates to the management of Indian Moneys (IM).

The *Indian Act* defines Indian moneys as "all moneys collected, received or held by Her Majesty for the use and benefit of Indians and bands". Under section 62 of the Act these moneys are referred in two categories as:

- **Capital moneys** - derived from the sale of surrendered lands or the sale of the capital assets of a Band. These moneys include royalties, bonus payments and other proceeds from the sale of timber, oil, gas, gravel or any other non-renewable resource.
- **Revenue moneys** - defined as all Indian moneys other than capital moneys. They are primarily derived from a variety of sources which include, but are not limited to, the interest earned on Band capital and revenue moneys, fine moneys, proceeds from the sale of renewable resources (i.e., crops), leasing activities (i.e., cottages, agricultural purposes, etc.) and rights-of-way.
- Expenditure of Indian Moneys – The Minister authorizes the release of moneys under section 64, 66 and 69.



3. Entry Process - Overview

- First Nation submits Band Council Resolution to opt in to FNOGMMA
- Entry Assessment – Region will ask for information to complete Pre-screening Assessment
- Pre-screening assessment will analyze:
 - First Nation's Governance
 - First Nation's financial policies to show existence of financial management, infrastructure and capacity.
 - Financial status and trends



Entry Process (cont'd)

- Outstanding amount of loan guarantees in excess of Indian Moneys to be transferred
- Pending election appeal (at the time of request for entry)
- Financial status or management of program services or Indian Moneys
- In the event of change of leadership, original BCR request maybe rescinded



Entry Process (cont'd)

Intake Committee

- Region will send final assessment to AANDC-HQ
- Assessment confirmed by Intake Committee using the selection criteria
- Intake Committee will recommend to Minister to accept First Nation into the FNOGMMA Implementation Process
- Minister informs First Nation of their balances of trust accounts and loan guarantees and next steps of the FNOGMMA Implementation Process



4. Developmental Process

Financial Code

- FNOGMMA outlines the minimum requirements of the Financial Code in section 11 in FNOGMMA regarding the:
 - Holding
 - Expending
 - Accountability
 - Conflicts of Interest, and
 - Amendment



Developmental Process (cont'd)

Payment Agreement

- An administrative agreement to effect payments under FNOGMMA to the First Nation
- It addresses the...
 - initial transfer
 - ongoing payment schedule
 - MLG information and holdback
 - banking or trust information for the purpose of where to direct payment



Funding Assistance

- Funding assistance may be provided to the First Nation in order to meet the legislative requirements under FNOGMMA for the following:
- Phase I Funding: Financial Code, Payment Agreement and Banking or Trust Agreement development;
- Phase II Funding: Obtain professional advice and conduct of a community information session;
- Phase III Funding : Hold community ratification under the FNOGMMA Voting Regulations.



5. Community Ratification Process

Informed Consent & Ratification

- BCR informing Minister of intention to vote and identify the designated First Nation Electoral Officer
- Reassessment (*if required)
- Conduct of the Vote
- Report from Electoral Officer



6. Payment of Moneys Process

Addition to Schedule 2

- Intake Committee recommendation that the Minister add First Nation name to Schedule 2.
- Ministerial Order process begins to add FN to Schedule 2.
- Once First Nations name is added to Schedule 2 of the FNOGMMA, the Ministerial Order comes into force.



Payment of Moneys Process (cont'd)

Payment of Moneys

- Payment made in accordance with Payment Agreement with the First Nation
- Proof of receipt for initial and subsequent payments.



Payment of Moneys Process (cont'd)

**Land & Resource revenue:
Permits/Leases, etc.**



AANDC (Indian Moneys)



Consolidated Revenue Fund



First Nation 'Trust or Bank Account'



Questions / Comments

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