

Budgeting Basics—Glossary of Terms

arrears recovery agreement – an agreement to repay monies owed

balanced budget – a budget where revenues equal expenses

budget – a planning document that lays out the expected revenues to be received and the expected expenditures for a fiscal year

consolidated financial statements – the entire set of required financial statements of an entire organization, including each subsidiary and operating segment

controlled expense – an expense that cannot be changed (a loan payment, for example)

expenses – money going out

fiscal year – typically, the period between April 1st and March 31st

minimum revenue contribution (MRC) – the minimum amount of revenue a First Nation must contribute under the CMHC Section 95 Post-1996 program, as detailed in the operating agreement

overhead – the amount spent on all miscellaneous office expenses, indirect materials and indirect labour purchased for the operation and administration of housing (office supplies, monthly internet fees, photocopier lease, janitorial services, etc.)

revenue – money coming in

Section 95 subsidy – the money received by the First Nation as set out in the Section 95 operating agreement at commitment. This amount will change based on interest rates at the time of renewal and as long as the project is not in breach of the operating agreement.

shelter component – the allowable amount received from social assistance payments to pay for rent as set out by the policies and funding guidelines stated by Indigenous and Northern Affairs Canada (INAC)

sustainability – in the Section 95 social housing context, the ability of a housing portfolio to continue to operate in the long term using its present practices and policies while meeting the community's goals and objectives

variable expense – an expense that can be increased or decreased based on needs and available budget (maintenance expenses, for example)