

Local Guidelines and Application Process – LEG Spending

Last Approved:	NOAMA Board	May 23, 2023
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1.0 Background

Various LEGs have cash surpluses. The requirements set forth by the MOH in the NOAMA AFP indicated that NOAMA is required to distribute the full allotment of AFP funding in the fiscal year. Standard practice in Southern Ontario has practice plans to distribute 100% of their annual allotment. Although LEG and Practise Plan funding models differ, NOAMA is still required to monitor LEG financial positions and ensure the revenues are distributed.

The LEG Spending Requirement Policy was put into place to monitor LEG cash surpluses.

2.0 Purpose

The purpose of this document is to document the local guidelines for the review of LEG spending plans for deferred revenue and determine whether they are appropriate, according to the LEG Spending Requirement Policy.

3.0 LEG Financial Compliance Committee

Committee members will be invited to be part of the LEG Financial Compliance Committee (the Committee) review team. Review team members are appointed by the NOAMA Board. The Committee consist of:

- NOAMA Board Member
- PCTA Member
- ED, NOAMA

The Committee members cannot be a member of a LEG(s) that is carries a deferred revenue balance that requires action.

4.0 Review Process

- NOAMA administration receives and reviews LEG annual financial statements during the LEG annual reporting process
 - When submitting the annual report, LEGs will have to sign-off that they are compliant with the allowed deferred revenue balance as outlined in the NOAMA policy
 - LEGs that are not in compliance will notified that a supplemental report is required with their annual submission
- NOAMA administration will prepare a report that contains a summarized total from the most recent audited financial statements of the NOAMA LEG Funding Formula and NOAMA Clinical Teaching Enhancements. This amount will be comparted to the reported deferred revenue balance for each LEG.

- NOAMA administration will generate a report to bring forward to the Committee summarizing the information and disclosing any documented deferred revenue expenditures plans submitted by the LEGs
- The Committee will be responsible for reviewing each plan submitted and reaching out to any LEGs that are non-compliant with the LEG Spending Policy to discuss an action plan.

5.0 Evaluation Criteria

The following criteria will be considered when reviewing the LEG's spending plan:

- Alignment with the scope of the AFP
- Timeline of spending
- Practicality

6.0 Decision Process

- The Committee will make a recommendation to the NOAMA Board.
- The NOAMA Board is responsible for compliance with the approved policies and recommending the appropriate action.

7.0 LEG Spending Plan Reporting and Follow Through

NOAMA administration will work with LEGs that are subject to action items or decisions by the NOAMA Board.

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