



## Aboriginal Skills and Employment Training Strategy:

### Administration Costs Flat Rate Pilot Initiative

May 2018

# ASETS Extension Year

- The Department is committed to streamlining the administrative processes for ASETS agreements and is implementing a pilot initiative, for the 2018-2019 transition year, to assess the effectiveness of using a flat rate for administration costs.
- The Department will be forwarding a request to all ASETS agreement holders for 10 – 15 volunteers to participate in the pilot initiative.
- Administration costs are those costs as defined in the *ASETS Guidelines on Eligible Expenditures*.
- This presentation will provide an overview of the Flat Rate Pilot Initiative.



# What is a Flat Rate?

- A flat rate is a percentage of the overall agreement amount to be used to cover administration costs.
- Under normal circumstances, costs included in the flat rate are not subject to monitoring or reconciliation against actual costs incurred thus reducing reporting requirements.
- The agreement holder keeps records of the expenditures and invoices in the event of an audit by Canada.



# Implementation

- The flat rate is based on the amount for administration costs identified in the Annual Operating Plan (AOP); this amount becomes the cap representing the maximum amount allowable for administration costs.
- The maximum amount allowed for administration costs is generally up to 15%, but a higher amount is allowed with justification.
- The use of a flat rate is identified by a clause in the contribution agreement.
- In exceptional circumstances, such as unforeseen costs, the flat rate amount may be amended.



# Reporting and Monitoring

- This pilot initiative is meant to gather feedback on the experiences of agreement holders in using flat rates.
- Agreement holders will be requested to complete a questionnaire 2 or 3 times throughout the duration of the agreement.
- As agreement holders are still required to retain invoices, requested feedback could include a comparison of actual costs with the funds received under the flat rate.
- Participation in this pilot initiative will entail working closely with Service Canada staff during the implementation process as well as to assess the effectiveness of flat rates in reducing reporting burden.

