



Guidance for preparing the Detail Financial Plan

The Detailed Financial Plan¹ reflects the funding that the MCA Accountable Entity expects to commit and the cash it expects to need on hand with respect to the Work Plans. For planning purposes, the Detailed Financial Plan breaks down these categories to the sub-activity level (or beyond, where appropriate) on a rolling quarterly basis for the upcoming four quarters and on an annual basis (but broken down and displayed by quarter) for the remaining years of the Compact.

It is expected that the Detailed Financial Plan will be submitted on at least a quarterly basis, but other intervals are possible. The Detailed Financial Plan is due to MCC twenty (20) calendar days prior to the end of the calendar quarter (i.e. March 10, June 10, September 10 and December 10), in line with the rest of the quarterly reporting package.

The level of detail of the DFP shall be determined by program planning needs. Different divisions within MCC will review the DFP to varying levels of specificity. The DFP must follow a format that allows for the sub-activity detail to be “rolled-up” to the project/activity level, (see Appendix for an illustrated example of a DFP that can expand to the sub-activity level and roll-up to the project/activity level using Excel spreadsheet functionality).

The Fiscal Agent, with support from MCC Fiscal Accountability staff, is responsible for assisting the MCA Accountable Entity in developing a standard Detailed Financial Plan format, including the level of detail and the categories of expenses that will be consistent across projects and activities through the life of the Compact. This general categorization of expenses is referred to as a “Standard Chart of Accounts.” It disaggregates the Multi-year Financial Plan by projects, activities, and sub-activity.

The Detailed Financial Plan covers the full cost of the Compact over the five year (or 20 quarters) Compact period. The first Detailed Financial Plan is required for the Initial Disbursement after Entry into Force of the Compact. Any commitments or expenses made under the authority of Compact Implementation Funding (CIF) grants are recorded in the column for Cumulative Commitment (or Expenditures) from Previous Quarters.

¹ In certain Compact and Disbursement Agreements, the Detailed Financial Plan is referred to as the Spending Plan or the Detailed Budget

Detailed Financial Plan – Commitments Projection

Purpose

The Commitments Projection spreadsheet is used to forecast commitments by project, activity, sub-activity (or beyond, if appropriate) to establish the commitment budget for the Compact. Commitments are defined as the value of any contract or the value of any recurring expense outside of a contract that can be forecasted. Commitment amounts shall reflect the total value of the contract at the time it is executed (signed) or anticipated to be executed.

The left-most column with project, activity and sub activity (or beyond, if appropriate) titles should reflect the Standard Chart of Accounts for the Compact.

Instructions

Column 1: Column 1 refers to the Quarterly Financial Report, Schedule C – Column 6 which is titled, “Projected Cumulative Commitments and Re-disbursements as of the End of the Current Period”. This amount reflects the cumulative actual re-disbursements of Compact Funds and the cumulative actual unliquidated commitments outstanding as of the end of the current period.

Columns 2–4: These columns show expected new commitments, by month for the up-coming quarter. NOTE: This presentation is optional as the requirement is to present rolling four quarters. If an MCA-Country wishes to present the monthly break-out, they must summarize it in the subsequent column.

Columns 5–8: These columns show expected new commitments, by quarter for the up-coming four quarters.

Columns 9–24 (or number of columns needed – 24 is the maximum given a first DFP submission on a five year Compact): These columns present the expected new commitments of the remaining period of the Compact by quarter. The number of columns required in this section depends on the quarters remaining in the Compact. Because the requirement to provide forecast precision by quarter is for a rolling four quarters only, it is acceptable here to provide annual estimates that are divided by four, with the resulting amount placed in each column.

Column 25: Column 25 shows the “Over or (Under) Budget Difference” between the total amount of forecasted commitments + actual cumulative re-disbursements + unliquidated actual commitments and Column 26.

Column 26: The amounts in Column 26 are from the current approved Multi-Year Financial Plan. These amounts should match the amounts in the final column of Schedule B of the Quarterly Financial Report at the project and activity levels. The Current Approved Multi-Year Financial Plan refers to QFR Schedule B – Column 5.

Detailed Financial Plan – Cash Requirements Projection

Purpose

The Cash Requirements Projection spreadsheet is used to forecast cash flow needs by project, activity, sub-activity (or beyond, if appropriate) to establish the cash flow budget for the Compact. Cash requirements should be based on actual or forecasted contract fee schedules and recurring expenses outside of a contract.

The left-most column with project, activity and sub activity (or beyond, if appropriate) titles should reflect the Standard Chart or Accounts for the Compact.

Instructions

Column 1: Column 1 refers to the Quarterly Financial Report, Schedule C – Column 4 which is titled, “Projected Cumulative Re-disbursements as of the End of the Current Period”. This amount reflects the cumulative actual re-disbursements of Compact Funds as of the end of the current period.

Columns 2–4: These columns show projected expenditures (cash requirements), by month for the up-coming quarter. NOTE: This presentation is optional as the requirement is to present rolling four quarters. If an MCA-Country wishes to present the monthly break-out, they must summarize it in the subsequent column.

Columns 5–8: These columns show projected expenditures (cash requirements), by quarter for the up-coming four quarters.

Columns 9–24 (or number of columns needed – 24 is the maximum given a first DFP submission on a five year Compact): These columns show projected expenditures (cash requirements) on a quarterly basis for the remaining years of the Compact. Because the requirement to provide forecast precision by quarter is for a rolling four quarters only, it is acceptable here to provide annual estimates that are divided by four, with the resulting amount placed in each column.

Column 25: Column 25 shows the “Over or (Under) Budget Difference” between the total amount of projected cumulative expenditures (cash requirements) + actual cumulative re-disbursements and Column 26.

Column 26: The amounts in Column 26 are from the current approved Multi-Year Financial Plan. These amounts should match the amounts in the final column of Schedule B of the Quarterly Financial Report at the project and activity levels. The Current Approved Multi-Year Financial Plan refers to QFR Schedule B – Column 5.