

First Nations Child and Family Services Program Terms and Conditions: Funding to support the well-being and safety of First Nation children, youth, young adults, families and communities.

1. INTRODUCTION

The reformed First Nations Child and Family Services Program (the “FNCFS Program”) provides funding for enriched child and family programming designed to support the holistic and substantively equal well-being of First Nations communities with a service-delivery approach that recognizes and accounts for the unique needs of respective First Nation(s), including their historical, cultural and geographical circumstances and needs. These terms and conditions reflect evidence-based programming enhancement to redress and prevent the reoccurrence of discrimination previously identified by the Canadian Human Rights Tribunal.

The FNCFS Program considers First Nations, and their children and families, to be the ultimate beneficiaries of these funds.

2. PROGRAM AUTHORITY

The FNCFS Program is delivered under the authority of the *Department of Indigenous Services Act*, S.C., 2019, c. 29, s.336., which provides the Minister of Indigenous Services with powers, duties and functions that extend to and include all matters over which Parliament has jurisdiction and that are not by law assigned to any other department, board or agency of the Government of Canada, relating to the provision of services to Indigenous individuals who are eligible to receive those services under an Act of Parliament or a program of the Government of Canada for which the Minister is responsible.

3. PURPOSE AND OBJECTIVES

3.1 Purpose

The purpose of the FNCFS Program is to provide funding for child and family services delivered on-reserve in a manner that support First Nations designed-service delivery. Child and family service delivery aims to address the structural drivers that could place children, youth and families at risk of child maltreatment and to leverage intergenerational cultural child caring approaches that build protective factors and mitigate community, family and child risk factors at all stages of involvement with the child and family service continuum. The FNCFS Program also funds the delivery of child protection services on reserve delivered in accordance with the national principles and minimum standards set in [*An Act Respecting First Nation, Inuit and Métis children, youth and families*](#), and applicable provincial, territorial or First Nation legislation, regulations, policies and standards.

3.2 Objectives

The objective of the FNCFS Program is to provide predictable and flexible funding to FNCFS Service Providers for the provision of a suite of child and family services that support First Nations children, youth, young adults and families, ordinarily resident on reserve, or in Yukon.

The FNCFS Program aims to support First Nations and FNCFS Agencies in working collaboratively together to address the overrepresentation of First Nations children in care by supporting service delivery models that are prevention-focused and aim to mitigate the structural drivers that could place First Nations children, youth, and families at risk of involvement with the child welfare system.

The FNCFS Program also aims to support First Nation designed models with the ultimate goal of thriving children and families that are supported by First Nation community-driven child and family services.

4. PROGRAM CATEGORIES

The FNCFS Program funds services that promote the cultural safety and well-being of First Nations children, youth, young adults and families, including legislated services that are prevention-focused, support early interventions and build protective factors to prevent and mitigate family involvement with child and family services. The FNCFS Program strategies provide for the delivery of enhanced FNCFS Program services, that acknowledge the unique needs, strengths, and priorities of First Nations communities and account for the cultural, historical, and geographical circumstances and needs.

The FNCFS Program prioritizes the allocation of funding to First Nations to support their autonomy to develop, plan, invest, and deliver services based on First Nation needs, circumstances, and priorities.

Program Categories	
Prevention Services	Prevention services are evidence-informed and culturally appropriate services intended to support healthy child development, strengthen families, and promote wellbeing. Prevention needs are defined by First Nations, and services are implemented based on the well-being priorities identified by the community. Prevention services can divert families from unnecessary contact with protection services and prevent child maltreatment and harm through early and ongoing intervention and First Nation-based services that support family wellness.

Prevention Services	<p>Eligible activities support:</p> <ul style="list-style-type: none"> • Targeted services and activities that address structural drivers¹ in order to mitigate the risks factors that could place children at risk of harm and reduce the likelihood of children being taken into care. • Services and activities that support children and families at risk in the home and community. • Activities and access to programming and services that promote physical, cultural, mental and emotional safety and well-being. • Classes, workshops, and outreach to support family preservation and well-being. • Coordination efforts and referrals with other relevant federal or provincial programs to support individual, family, and community well-being. • Group, family, and individual interventions services or supports to promote community based prevention, family well-being, family reunification and/or preservation. • Interventions that are identified to support the child's best interests including cultural, communal and other activities to build self-esteem, resilience and healing.
Post-Majority Support Services	<p>Post-majority support services support First Nations youth in care approaching the age of majority and young adults who have transitioned out of care at the age of majority up to their 26th birthday or to the age as defined in provincial/Yukon legislation (whichever is greater).</p> <ul style="list-style-type: none"> • Eligible activities support the self-identified best interests of the youth leaving care or young adult formerly in care in: <ul style="list-style-type: none"> ○ learning, education and professional development opportunities, ○ financial supports to further physical, mental & social wellbeing and safe, stable, housing, such as rent, household necessities and utilities or to ensure basic needs are addressed, and ○ (re)connection with land, culture, language and family and community. • Interventions are provided on the basis of the youth or young adult's self-identified best interests, and other activities to promote protective factors as well as family and community preservation, repatriation, and/or reunification. • Direct support services to implement a youth or young adult's transition plan, including services and supports not eligible through other federal or provincial programs or where funding from other sources was or will not be received, in whole or in part, to support that activity.

¹ Structural drivers means the factors that are largely out of a caregiver's control which contribute to the over-representation of First Nations children and youth in the child welfare system, including poverty, poor housing, racism – including systemic racism – and intergenerational trauma

First Nation Representative Services	<p>First Nation Representative Services (sometimes referred to as Band Representative Services or Band Designate) support First Nations when children, youth, young adults, and families from their community are involved, or at risk of involvement, with the child and family services system.</p> <p>First Nation Representative Services will be First Nations-defined and may include engaging with child and family services providers and participating in child and family service matters as set out in provincial, territorial and federal child and family services laws.</p> <p>First Nation Representative Services supports programming that is substantively equal and culturally-informed and that helps families access supports that foster the connection of First Nations children, youth, and families with the lands, languages, cultures, practices, customs, traditions, ceremonies and knowledge of their First Nation.</p> <p>Eligible activities support:</p> <ul style="list-style-type: none"> • Serving as the main liaison, on behalf of families or communities, between First Nations, FNCFS agencies and/or Provincial and Yukon Governments on the basis of the child's best interests (defined by the First Nation) including interventions that mitigate risks and build protective factors, and activities that promote the child's safety, and the child's connection to their community and culture, family preservation, reunification and/or permanency planning. • Support discussions, planning, and/or coordinating and advocacy when a child and family has involvement with child and family services, including Indigenous dispute resolution approaches and court proceedings. • Ensuring that the cultural needs of a child are being addressed, which includes participating in the development of a child and family's plan of care. • Collaborative service planning and delivery with other FNCFS Service Providers. • Serving as a point of contact and responding to notices and performing the functions of a First Nations Representative as set out under federal and provincial legislation and as laid out in <i>An Act respecting First Nations, Inuit and Metis children, youth and families</i>.
Supplementary Services	<p>Supplementary Services support the governance, implementation and ongoing service delivery of the FNCFS Program.</p> <p>Eligible activities support:</p> <ul style="list-style-type: none"> • Promotion of the governance of and access to evidence-based data and tools to support and inform the delivery of FNCFS programming. • Ongoing delivery of FNCFS Program services. • Developing and designing supports and structures to support the purpose and objective including the implementation of the FNCFS Program, as outlined in Section 3 above.

<p>Child Protection Services</p>	<p>Child Protection Services that form part of Child and Family legislation and are to be delivered in accordance with the national principles and minimum standards set in <i>An Act Respecting First Nation, Inuit and Métis children, youth and families</i>, and applicable provincial, territorial or First Nation legislation, regulations, policies and standards and as outlined below.</p> <p>Child protection services are linked to an assessment of risk, conducted by personnel delegated by the provincial, Yukon or First Nation child and family services legislation, to ensure identified children and youth are safe, well, healthy, and living free of harm or child maltreatment.</p> <p>Child Protection Services include:</p> <p>Care and Maintenance: Services associated with placing and maintaining the care of children in out-of-home or alternate care arrangements.</p> <p>Least disruptive measures: which are targeted interventions and services mandated in provincial, Yukon or First Nation child and family services legislation that support family preservation and reunification when possible, and ensure supports are in place that mitigate the risk of child maltreatment or harm.</p> <p>Operations: Resources used by an organization to deliver child and family services in line with provincial, Yukon and First Nation legislation, regulation, and policies as well as planning activities.</p> <p>Eligible activities support on-reserve:</p> <ul style="list-style-type: none"> • Intake, intervention, planning, implementation, evaluation, assessment and investigation to address reports of identified risks to children, including after-hours services, and the continuation of services to facilitate the transition of youth into adulthood. • Alternative dispute resolution services and coordination with a child and family's network of support. • Legal services, child representation, or other activities related to child protection proceedings. • A range of alternate custody, and kin care arrangements, agreements, and/or orders to ensure the safety and wellbeing of the child(ren) and supports for the family and care providers. • Placement services including recruiting, assessing, training, educating, supporting, monitoring and evaluating alternate care providers. • Interventions that are identified on the basis of the child's best interests including cultural, land-based, communal and other activities and access to programming to promote protective factors and family preservation or reunification. • Collaborative service delivery planning, implementation, evaluation and assessment with other service provider(s). • Direct mandated services and supports not eligible through other federal or provincial programs or where funding from other sources was or will not be received, in whole or in part, to support that activity. • Other activities that support the delivery of the legislated mandate of child protection services in accordance with applicable provincial, Yukon or First Nation legislation, and the national principles and minimum standards set in <i>An Act Respecting First Nation, Inuit and Métis children, youth and families</i>
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FNCFS Program Funding Strategies	
Information Technology Funding Strategy	Funding supports recipients with their IT needs to implement and deliver services and activities listed in the FNCFS Program Services outlined in Section 4 above.
Results Funding Strategy	Funding supports recipients in implementing the performance measurement, framework as outlined in Section 10.2, to support the FNCFS Program Services outlined in Section 4 above.
Emergency Funding Strategy	Funding supports recipients in responding to unanticipated circumstances or situations affecting the service-delivery provision and activities of the FNCFS Program. Emergency funding supports FNCFS Service Providers with unexpected situations (wildfire evacuations, the introduction into care of a few children with very high needs, a community crisis) that might make it difficult for an FNCFS Service Provider to manage within a fixed allocation in delivering the FNCFS Program Services outlined in Section 4 above.
Household Support Funding Strategy	Funding supports First Nations in meeting the basic needs of families, particularly those needs that, if left unmet, could lead to children being placed in care, may result in a family being involved in the child welfare system or that may prevent a family from reuniting. Funding supports service-delivery and activities to help mitigate effects that may lead to involvement of a child in the child welfare system.

5. ELIGIBLE FUNDING RECIPIENTS

While the FNCFS Program considers First Nation children, their families, and the First Nation community to be the ultimate beneficiaries of these funds, a funding recipient is an entity that has met the eligibility, and the application and assessment criteria outlined in these terms and conditions and has signed a funding agreement with Indigenous Services Canada (ISC) to deliver an eligible child and family service or strategy.

1. FNCFS Service Providers

- a) **First Nation(s)**, meaning a “band” as defined in subsection 2(1) of the Indian Act, RSC, 1985, C 1-5, as amended.
- b) **FNCFS agency**, meaning an agency established by and affiliated with one or more First Nations and fully or partially delegated or authorized pursuant to provincial or other authorities to provide legislated child welfare services on reserve.
- c) **First Nation Service Provider**, meaning an entity authorized by the First Nation to support the implementation of the FNCFS Program, and the delivery of services, on reserve, including non-delegated service providers, not-for-profit First Nation organizations, and mandated organizations (i.e. Tribal Councils or regional Indigenous organizations).

2. National, Regional and Local Organizations, meaning an organization representing First Nations in Canada on a local, regional or national basis, and has a mandate to protect and promote the social and cultural interests of First Nations as they relate to the implementation and delivery of the FNCFS Program.

3. Provincial and Yukon Governments, meaning a provincial or Yukon government responsible for delivering and/or delegating the authority to deliver legislatively mandated child and family services (i.e. child protection and intervention services) in accordance with the respective jurisdiction and child and family services law.

FNCFS Services and Strategies	Eligible FNCFS Funding Recipients
FNCFS Program Services	
Prevention Services	<ul style="list-style-type: none"> • First Nation • First Nation Service Provider, if requested by the First Nation(s) • FNCFS agency
Post-Majority Support Services	<ul style="list-style-type: none"> • First Nation • First Nation Service Provider, if requested by the First Nation(s) • FNCFS agency, if requested by the First Nation(s)
First Nation Representative Services	<ul style="list-style-type: none"> • First Nation • First Nation Service Provider, if requested by the First Nation(s) • FNCFS agency, if requested by the First Nation(s)
Supplementary Services	<ul style="list-style-type: none"> • First Nation • First Nation Service Provider • National, Regional and Local Organizations
Child Protection Services	<ul style="list-style-type: none"> • FNCFS agency • First Nation Service Provider (pursuant to applicable child and family legislation) • Provincial and Yukon Governments
FNCFS Program Funding Strategies	
Information Technology Strategy	<ul style="list-style-type: none"> • First Nation
Results Funding Strategy	<ul style="list-style-type: none"> • First Nation
Emergency Strategy	<ul style="list-style-type: none"> • First Nation • FNCFS agency
Household Support Strategy	<ul style="list-style-type: none"> • First Nation

Where a First Nation receives funding for services pursuant to a jurisdictional agreement, including a coordination agreement related to [*An Act Respecting First Nations Inuit and Metis children, youth and families*](#), S.C. 2019, c. 24, that First Nation and its affiliated FNCFS Service Providers and provinces and Yukon shall not receive funding under the Reformed FNCFS Program Funding Approach outlined in Section 8.1 for the services for which they are receiving funding under the jurisdictional agreement.

6. TYPE AND NATURE OF ELIGIBLE EXPENDITURES

Eligible expenditures are those direct costs necessary to support the activities as outlined in Section 4 under Program Categories, which can include the following:

- Salaries, employee benefits, and costs related to supporting recruitment, training or professional development.
- Consultants, qualified professionals, paraprofessional services and fees, including honoraria for Elders, Knowledge Keepers, and others.

- Insurance, legal, banking, audit and evaluation fees.
- Purchase, installation and maintenance of IT hardware and software and internet services, subscriptions or upgrades.
- Operation and administrative costs, including transportation, necessary to support the implementation and the delivery of child and family services, as outlined in Section 4. International travel may be an eligible expenditure, and is subject to ISC pre-approval.
- Costs that support the FNCFS Program Planning and Reporting, as outlined in Section 10, including the capture, analysis and reporting of data.
- Consultation and engagement to support the development, implementation and evaluation of plans, service delivery models and standards.
- Other costs that support the purpose and objective of the FNCFS Program, as outlined in Section 3, may be considered eligible based on the direct link to supporting the FNCFS Program Categories, subject to FNCFS Program approval.
- Capital assets that support the delivery of Program Categories outlined in Section 4 and pre-approved by ISC through the plans as outlined in Section 10, including unexpended funding plans.
 - Provincial and Yukon Governments directly providing child and family services are not eligible to receive capital funding under the FNCFS Program.

7. APPLICATION REQUIREMENTS AND ASSESSMENT CRITERIA

Before entering into a funding agreement or initiating an amendment, ISC will confirm eligibility and entitlement of recipients in accordance to these terms and conditions and the departmental directives by conducting risk assessments, including an assessment of the recipient's accountability and capacity to administer and manage FNCFS funding in alignment with the Directive on Transfer Payments. The risk assessment will cover elements such as:

- governance structure;
- organization for purposes of program management, financial and administrative experience, and capacity to deliver programs;
- processes and procedures for program management and financial control;
- accountability mechanisms for transparency, disclosure, responsibility and redress; and
- financial position.

General Program Requirements:

Information required by ISC for all funding recipients includes:

- Legal entity's name, address and telephone number.
- Provincial, Yukon or First Nation legislated delegation documentation or certification, when applicable.
- Incorporating documents (articles of incorporation or Patents letters), when applicable, and by-laws.
- FNCFS Program Plan as outlined in Section 10.1 below.
- Band Council Resolution (or comparable documentation) for each First Nation being represented or served by the First Nation Service Provider, when applicable.
- Disclosure of any involvement of former public servants who are subject to the Conflict of Interest and Post-Employment Code for Public Office Holders or the Conflict of Interest and Post-Employment Code for the Public Service.

Additional documentation may be requested by ISC to assess new funding recipients for the purpose of determining funding eligibility and approaches under the FNCFS Program. Based on the assessment criteria and requirements outlined above in Section 7, ISC will conduct ongoing reviews prior to issuing funding to ensure recipients continue to meet the FNCFS Program's eligibility. As applicable, ISC will also conduct annual reassessments of funding recipients' accountability and capacity, including their funding entitlement. This reassessment may result in adjustments, offering either more or less flexibility to the funding approach used and the manner in which funds are provided.

8. PROGRAM FUNDING

8.1 Method for Determining the Amount of Funding

As part of the method for determining the amount of funding, the FNCFS Program funding contains a number of adjustments, including remoteness, inflation and population. Any references included in these terms and conditions should be read in accordance with the funding adjustment details outlined in Section 8.1.10.

8.1.1 Prevention Services

Starting in fiscal year 2024-2025 funding for prevention services was calculated by multiplying the amount of \$2,603.55 by the total population, plus the amount necessary to provide to each First Nation a minimum of \$75,000. This funding will be adjusted annually for inflation and to account for the increased costs of delivering services in remote First Nations.

Outside Ontario:

Beginning April 1, 2026, all prevention funding will be directed to First Nations, unless a First Nation submits to ISC a written notice advising to allocate all or a portion of their prevention funding to another service provider.

Such notice needs to be submitted to ISC by the December 1st prior to the fiscal year to which the prevention funding is applicable. Once written notice is provided by the First Nation, the direction contained therein persists until further notice is given.

In Ontario:

Beginning April 1, 2026, a First Nation may give a written notice to ISC directing the manner in which to allocate the prevention funding attributable to the First Nation. Such notice needs to be submitted to ISC by the September 30th prior to the fiscal year to which the prevention funding is applicable. Until and unless a First Nation provides such written notice to ISC, prevention funding will continue to be split based on the approach to allocating prevention funding among FNCFS Service Providers for fiscal year 2025-2026.

Non-affiliated First Nations:

First Nations not served by a FNCFS agency, will receive all prevention funding attributable to that First Nation.

8.1.2 Post-Majority Support Services

Starting in fiscal year 2024-2025², and for the initial five-year period, funding for Post-Majority Support Services will total an amount of \$795.8 million. Starting in fiscal year 2025-2026, funding to support Post-Majority Support Services will be directed to First Nations, or, as otherwise requested by the First Nation(s) as outlined in Section 5. This funding will be adjusted to account for the increased costs of delivering services in remote First Nations.

A First Nation's funding is determined using the following calculation:

- a) Multiply 80% by the post-majority segment of the individual First Nation's population data based on ISC's Indian Registration System (IRS), as outlined in Section 8.1.10, the post-majority segment being comprised of youth and young adults between the age at which a youth can voluntarily exit care and the age at which a young adult's eligibility for post-majority support services ends;
- b) Divide an estimate of the First Nation's number of individuals eligible for post-majority support services by the national estimate of such individuals, the estimates being projections based on children in care data recorded in ISC's Information Management System / Data Management System;
- c) Multiply (a) by 1 + (b);
- d) Divide (c) of the First Nation's population by the total of all First Nations calculated at (c);
- e) Multiply \$75,000, adjusted for inflation, by the number of First Nations eligible to receive funding under the FNCFS Program, and subtract that amount from the total annual funding available for post-majority support services;
- f) Multiply (d) by (e);
- g) Add \$75,000, adjusted for inflation, to (f).

8.1.3 First Nation Representative Services

Outside Ontario:

Total funding for First Nation Representative Services in fiscal year 2024-2025 is calculated by multiplying the amount of \$294.72 by the total population, plus the amount necessary to provide to each First Nation a minimum of \$75,000. This funding will be adjusted annually for inflation and to account for the increased costs of delivering services in remote First Nations.

In Ontario:

Beginning April 1, 2025, funding will be provided to each First Nation at its highest annual amount of First Nation Representative Services funding received between fiscal year 2019-2020 to fiscal year 2022-2023. This amount will be adjusted annually for inflation, and starting April 1, 2025 adjusted to account for the increased costs of delivering services in remote First Nations.

² As outlined in Section 13, ISC will continue to meet its obligation until March 31, 2026 for funding agreements in place, including actual costs incurred by March 31, 2025 for post-majority support services, which are subject to the [FNCFS Transitional Terms and Conditions](#).

8.1.4 Supplementary Services

Funding may be approved and provided based on detailed plan(s) or proposal(s) and budget which support the FNCFS Program's purpose and objective outlined in Section 3.

8.1.5 Child Protection Services (Baseline Funding)

Starting in fiscal year 2025-2026, baseline funding will be provided to eligible FNCFS funding recipients as outlined in Section 4, and based on:

Outside Ontario:

- For FNCFS agencies, baseline funding will be based on 2022-2023 actual expenditures and adjusted for population and inflation. In subsequent years, baseline funding will continue to be adjusted annually for population and inflation; and
- For Provinces and Yukon, where applicable, operations and maintenance expenditures reimbursed under applicable federal-provincial and federal-Yukon agreements for the purpose of providing child and family services to First Nations on reserve not affiliated with an FNCFS agency.

In Ontario:

- For FNCFS agencies, baseline funding will be based on 2022-2023 actual expenditures and adjusted for population and inflation. In subsequent years, baseline funding will continue to be adjusted annually for population and inflation; and,
- For Ontario Government, operations and maintenance expenditures reimbursed for services on reserve further to the federal-provincial agreement.

8.1.6 Information Technology Funding Strategy

Funding for information technology (IT) equals 6% of a FNCFS agency, or the provincial / Yukon annual baseline funding and is proportionally allocated among the First Nations affiliated with that FNCFS agency, or the Province/Yukon based on the First Nation's population. This funding will be adjusted to account for the increased costs of delivering services in remote First Nations.

8.1.7 Results Funding Strategy

Funding for results equals 5% of a FNCFS agency, or provincial / Yukon annual baseline funding and is proportionally allocated among the First Nations affiliated with that FNCFS agency, or the Province/Yukon based on the First Nation's population. This funding will be adjusted to account for the increased costs of delivering services in remote First Nations.

8.1.8 Emergency Funding Strategy

Funding for emergency equals 2% of a FNCFS agency, or provincial / Yukon annual baseline funding.

For First Nation served by an FNCFS Agency, funding will be shared equally with 50% being provided to the FNCFS agency and 50% proportionally allocated among the First Nations affiliated with that FNCFS agency based on the First Nation's population. This funding will be adjusted to account for the increased costs of delivering services in remote First Nations.

First Nations not served by an FNCFS agency will receive 100% of calculation proportionally allocated among the First Nations based on the First Nation's population. This funding will be adjusted to account for the increased costs of delivering services in remote First Nations.

8.1.9 Household Supports Funding Strategy

Funding for household supports in fiscal year 2024-2025 was funding an amount of \$25.5 million. This funding is adjusted annually for inflation, and to account for the increased costs of delivering services in remote First Nations.

A First Nation's household supports funding is determined using the following calculation:

The First Nation's population	<i>multiplied by</i>	The percentage of the First Nation's population below the Low-Income Measure-After Tax (LIM-AT)	<i>divided by</i>	The total population of all First Nations eligible to receive funding under the FNCFS Program below the LIM-AT	<i>multiplied by</i>	The FNCFS Program's total annual funding for household supports
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8.1.10 Funding Adjustments

The FNCFS Program funding contains a number of adjustments as outlined in Section 8 for remoteness, inflation and population. These adjustments are calculated and applied as follows:

Remoteness Adjustment Funding
Where a First Nation's 2021 Index of Remoteness score is 0.40 or greater, funding will be upwardly adjusted based on the Remoteness Quotient Adjustment Factor methodology.
Inflation
Funding will be adjusted for inflation annually, in accordance with the Consumer Price Index (CPI) measured over the twelve-month period ending September 30th of the preceding year. The adjustment will be made based on the previous fiscal year's funding. In no event shall any such adjustment be less than zero.
Population
<p>The population of a First Nation will be determined as follows:</p> <ul style="list-style-type: none"> The registered on-reserve, on Crown land, or in Yukon population will be drawn from the Indian Registration System (IRS), as of September 30th of the year preceding the year in respect to which the population adjustment will apply. For example, ISC will use the IRS population on September 30, 2024 to adjust funding for the 2025-26 fiscal year. For the purpose of an FNCFS agency or First Nations Service Provider, population will be the sum of the populations of the First Nations to which it is affiliated. The approach to calculating population described herein may vary where a First Nation has a self-government agreement or a modern treaty.

8.2 Maximum Amount Payable

The maximum amount payable will be based on the FNCFS recipient's funding allocation, pursuant to the FNCFS Funding Approach as outlined in Section 8, and shall not exceed \$150,000,000 per recipient per fiscal year.

8.3 Funding Mechanism Approach

Funding will be provided using the flexible funding approach, in accordance with the Directive on Transfer Payments, and in alignment with the principles of the FNCFS Program.

Where a eligible recipient as identified in Section 5 does not qualify for the flexible funding approach, ISC will use a fixed funding approach, and inform and work with the recipient to assist them in meeting the requirements for a flexible funding approach based on the results of the assessment completed.

8.3.1 FNCFS Funding Mechanism ("Flexible Funding Approach")

In alignment with Section 8.3, when eligible for the Flexible Funding Approach, ISC will enter into multi-year(s) flexible agreement. Within the flexible funding approach:

- Recipients may redirect funding *in year* between the funded Program Categories as outlined in Section 4, with the following exceptions:
 - Redirection of prevention services funding to child protection services is not permitted, except to fund least disruptive measures; and
 - Redirection of child protection services funding is not permitted given that funding is provided to support mandated legislative services which include operations, maintenance and least disruptive measures.
- Recipients may retain unexpended funding at year end to continue support the implementation of the FNCFS Program and the delivery of child and family services in the following year(s), subject to ISC's review and approval of unexpended funding plans submitted by funding recipients. FNCFS agencies, in working with their First Nation, may identify all or a portion of unexpended funding to support First Nation(s) in addressing housing adequacies as one of the structural drivers leading First Nations children into care.
 - ISC will support recipients in the transfer of funds to ensure accountability and compliance with the funding obligations and reporting requirements outlined below in Section 10.
 - As required, ISC may amend flexible funding agreements, prior to expiry, to align with the timelines identified in the unexpended funding plans.

8.3.2 Fixed Funding Approach

Where an eligible recipient is not eligible for the Flexible Funding Approach, ISC will enter into a fixed funding approach agreement. Fixed funding agreements are one year agreements that support recipients in delivering the FNCFS Program. Within the fixed funding approach:

- Recipients may only spend funding on the FNCFS Program Category for which it was received, meaning it may not redirect funding *in year* to other FNCFS Program Categories outlined in Section 4.

- Recipients may retain unexpended funding to support the objectives of the FNCFS Program in the following year, based on an ISC approved unexpended funding plan and provided that unexpended funds are used for the purpose of which they were originally intended for, as outlined in Section 4.

8.4 Basis for Payment

Payments will be issued to recipients based on the eligibility to receive funding under the FNCFS Program terms and conditions, and in alignment with the terms and provisions of the funding agreement. Accordingly, and in line with the Directive on Transfer Payments, payments may be based on one or a combination of the following, as specified in the funding agreement:

- FNCFS Funding Approach outlined in Section 8.1;
- reimbursement of eligible expenditures;
- proposal, plan and budget supporting eligible activities and services as outlined in Section 4; or,
- achievement of predetermined performance expectations or milestones;

8.4.1 Advance and Progress Payments

Advance Payments are permitted, based on the cash flow requirements, as forecasted by the recipient and supported by the FNCFS Program Plan.

Progress Payments are subject to periodic reports of activities and expenditures incurred. ISC will process payments in accordance to funding agreement provisions, including cash flow requirements, and as applicable, funding recipient's planning and reporting obligations.

8.4.2 Holdbacks

Holdbacks may be up to 10% of the total FNCFS Program funding allocated within the funding agreement. Final payment will be contingent on the receipt and approval by the department of the final activity, performance, and financial reports, as specified in the funding agreement.

8.5 Stacking Limits

The stacking limit is the maximum level of funding to funded recipients from all government sources (including federal, provincial, territorial, and municipal) for any one activity, initiative, or project. The limit is 100% of total expenditures for the activity being funded. For clarity, compensation Federal Court file numbers T-402-19, T-141-20, and T-1120-21, the Children's Special Allowance, or other federal child benefits, and First Nations' own source revenue are not considered as a source of revenue for stacking purposes.

8.6 Further Distribution of a Contribution

Recipients may further distribute funding in alignment with the FNCFS Program purpose and objective and in accordance to the terms outlined in funding agreements. Recipients will have independence in the choice of organizations (such as an authority, board, committee, or other entity authorized to act on behalf of the recipient) and will not act as an agent of the government in making distributions.

Where a recipient further distributes funding, the recipient will enter into a written agreement with the other organization outlining the roles and responsibility of the respective parties. The original recipient remain accountable to ISC for the FNCFS Program funding, reporting and performance requirements, as outlined in the funding agreement between ISC and the original recipient.

9. ACCOUNTABILITY

Recipients are required to report on funding, such as providing annual audited financial reports that account for the use of funding in accordance with these terms and conditions, and as specified in their funding agreements.

10. PLANNING, REPORTING, AND EXPECTED RESULTS

10.1 FNCFS Program Planning and Reporting

Planning is intended to provide a better understanding of how the FNCFS Program is addressing child, youth, family and community well-being priorities through a collaborative and coordinated approach to service delivery.

Reporting requirements and frequency will be outlined in funding agreements, and will be based on departmental practices and FNCFS Program Assessment criteria. All recipients will be required to report on funding, including Unexpended Funding Plans.

10.1.1 First Nation Multi-Year Plan
Who: First Nations <i>First Nation Multi-Year Plan</i> outlines the details regarding the implementation of activities or specific initiatives for which funding is provided for, in alignment with the FNCFS Program's Purpose and Objectives, and includes the planned expenditures for each funded services as outlined in Section 4.
10.1.2 Child and Community Wellbeing Plan
Who: FNCFS agencies and First Nation Service Providers <i>Child and Community Wellbeing Plan:</i> FNCFS agencies and First Nation Service Providers will develop their plan in consultation with their affiliated First Nation(s). The plan must include environmental scans for each First Nation served, identification of the First Nation's needs, activities, planned expenditures for the provision of each child and family services for which funding is provided, concrete objectives that align with the purpose and objectives of the FNCFS Program, risk management strategies, performance measures and reporting requirements. and include how service delivery will address the unique factors of the First Nation, be coordinated with other service providers and how it contributes to the Expected Results outlined in Section 10.2.
10.1.3 FNCFS Program Plan
Who: National, Regional and Local Organizations The FNCFS Program Plan and budget includes the activities to be undertaken over the course of the agreement. Plans must include activities that support the FNCFS program objectives, and outline the results to be achieved.

10.1.4 Negotiated service-level agreement
<p>Who: Provincial and Yukon Governments:</p> <p>Negotiated service-level agreement between the Province/Yukon and Canada that aligns with the reformed FNCFS Program and defines the level and scope of services, standards, accountability, roles and responsibilities, billing procedures, and reporting requirements.</p>
10.1.5 FNCFS Unexpended Funding Plan
<p>Who: All</p> <p>In addition to the plans listed above all recipients must submit, when an unexpended balance remains at the end of the fiscal year, an unexpended funding plan. The plan must include key child and family well-being, services and strategic priorities on which the unexpended funding will be spent and how it contributes to the Expected Results outlined in Section 10.2.</p>

10.2 Expected Results

The Departmental Results Framework consists of a department's Core Responsibilities, Departmental Results and Departmental Results Indicators. The FNCFS Program contributes to the following Departmental Results Framework result: *Indigenous Peoples are culturally safe and socially well.*

The FNCFS Program aims to achieve the following immediate, intermediate and ultimate performance measures and outcomes:

Immediate

Outcome	Performance indicator
FNCFS Service Providers are informed of current and upcoming service possibilities and associated delivery requirements, including roles and responsibilities	Number of regional engagements, consultations, and workshops
	Number of attendees by affiliation (such as First Nation or FNCFS Agency) per engagement, consultation, or workshop delivered by ISC
	Number of communications and bulletins
FNCFS Service Providers are informed of current and upcoming service possibilities and associated delivery requirements, including roles and responsibilities	Percentage of attendees who indicate that they are better informed of service possibilities and delivery requirements following an engagement, consultation, or workshop delivered by ISC
FNCFS Service Providers have the resources to plan for and deliver culturally appropriate services to First Nations children, youth, young adults, and families	Percentage of main programming funding agreements with FNCFS Service Providers that are in place before the start of the fiscal year
	Percentage of FNCFS Service Providers that have accessed or built new infrastructure to support service delivery
FNCFS Service Providers are aware of the different roles and responsibilities of First Nations and FNCFS Agencies	Number of FNCFS training and guidance documents which are available and up to date
	Number of times FNCFS training and guidance documents have been accessed.
	Percentage of FNCFS Service Providers with multi-year plans or child and community wellbeing plans
First Nations children have access to culturally adapted prevention services	Percentage of First Nations more than two and a half hours of travel by road from the nearest office of the First Nation's affiliated FNCFS Agency or not connected to any office of that FNCFS Agency by road
	Number of First Nations children who are referred by an FNCFS Agency to a prevention service which, in order to access, requires more than two and a half hours of travel by road or requires travel by air or ferry
	Percentage of First Nations directly providing prevention services for their communities
	Percentage of First Nations children who have access to a culturally adapted prevention service provider

First Nations children and youth have access to a culturally appropriate environment	Percentage of children in care who are placed with a family member (kinship care)
	Percentage of First Nations children on- reserve in care where at least one of the caregivers is a First Nation individual
First Nations children and families have access to First Nation Representative Services.	Percentage of First Nations offering First Nation Representative Services to families
First Nations youth aging out of care and young adults formerly in care have access to post-majority support services	Percentage of eligible First Nations youth aging out of care and young adults formerly in care served by post-majority support services

Intermediate

Outcome	Performance indicator
FNCFS Service Providers are working collaboratively toward service delivery	Percentage of FNCFS Agencies with a child and community wellbeing plan that has been co-developed with the First Nation(s) affiliated with the FNCFS Agency
FNCFS Service Providers are working collaboratively as a network of support for children and families	Percentage of FNCFS Service Providers that produce and publicly share an annual report on the progress of their multi-year plans or child and community wellbeing plans
Protective factors are built, and risk factors are identified and addressed within families and communities	Percentage of First Nations children on-reserve in care
	Percentage of First Nations children and youth on reserve in care who came into care for the first time
	Percentage of First Nations children and youth re-entering care
	Number of reported cases of child maltreatment for First Nations on reserve
Protective factors are built, and risk factors are identified and addressed within families and communities	Number of culturally appropriate prevention activities that have been provided to First Nations families on reserve
First Nations children and youth in care remain connected to their family, community, and culture	Percentage of First Nations children in care who are reunified with their families
	Percentage of First Nations children and youth on reserve in care who achieved permanency
	Average number of days in care
	Average number of changes in placement type
Post-majority support services are provided routinely to First Nations youth aging out of care and young adults formerly in care	Average expenditures per First Nation on post-majority support services

Ultimate

Outcome	Performance indicator
Thriving children and families are supported by First Nation community-driven child and family services	ISC will use all indicators listed above to inform this outcome.

11. PRIVACY

ISC will respect privacy laws and regulations respecting the First Nations child and family service records of children, youth, young adults and families as laid out in provincial, territorial or First Nation laws.

12. LANGUAGE

ISC will abide by the *Indigenous Languages Act* to protect and promote Indigenous languages in Canada. The program provides access to linguistic supports such as translation or interpretation services of First Nations languages, to ensure culturally appropriate service delivery.

Where a program support activity may be delivered to members of either official language community, the FNCFS funded recipients are required to provide access to services in both official languages.

In addition, ISC will ensure that the design and the delivery of programs respect the obligations of the Government of Canada set out in the *Official Languages Act*.

13. EFFECTIVE DATE

These terms and conditions are effective as of April 1, 2025.

In order to support the transition of the FNCFS Program to the new terms and conditions, ISC will continue to meet its obligations until March 31, 2026 for funding agreements in place and for costs incurred by March 31, 2025, which are subject to the [FNCFS Transitional Terms and Conditions: Contributions to provide children, youth, young adults, families and communities, with prevention and protection services](#).