

plans, etc.). CEBP is a statutory requirement and is calculated as 20% of the Department's personnel expenditures (i.e. Canada-based salaries, foreign service allowances, locally engaged staff salaries and overtime). Although CEBP is paid from a statutory account, it has been notionally allocated to reflect the full cost of running bureaux.

Inflation Compensation for Overseas Operating Costs

Bureau budgets have been augmented to compensate for the effects of foreign inflation on overseas operating costs. Where hyperinflation exists (i.e. inflation and currency gains each running in excess of 50%), a mission retains currency gains rather than obtaining compensation for inflation. This forms part of the Department's longstanding arrangement with Treasury Board regarding currency fluctuations and foreign inflation.

Grants and Contributions

Included in the binder under Tab 2 is a detailed list showing the amount currently budgeted for each grant and contribution over the three-year planning period. The bureau responsible for administering each grant and contribution is also identified.

Carry Forward of Operating Funds from 2002-03 to 2003-04

In accordance with the Treasury Board's Operating Budget Policy, DFAIT is permitted to carry forward into 2003-04 any operating funds lapsed in 2002-03, to a maximum of 5% of its Main Estimates appropriations in Vote 1 (Operating). The proposed carry forward for each branch is included as part of the information provided in the 2002-03 Year-End Financial Report which was approved by Executive Committee on June 5. This approval was subject to Treasury Board confirmation of the amount of the Department's carry forward to be included in 2003-04 Fall Supplementary Estimates. Branch carry forward entitlements will be allocated in early August once such confirmation is received.

Full Time Equivalents (FTEs)

With the advent of salary devolution, it is no longer necessary to track funded FTE positions to manage the Canada-based salary budget. Consequently, information on the derivation of the number of funded FTE positions is no longer required nor even available. However, as relative FTE levels are still of interest to many managers, the actual FTE utilization for the most recent fiscal year (in this case 2002-03) is provided for information on the summary pages for each bureau.