

NIBINAMIK FIRST NATION



FINANCIAL POLICIES AND PROCEDURES MANUAL



Ratified by Chief and Council on January 24, 2019



Nibinamik First Nation

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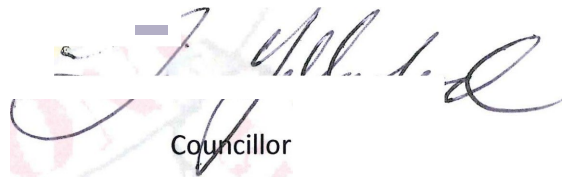
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January 24, 2019

Per the recommendation of the Finance Committee, we the Nibinamik Chief and Council hereby approve and ratify the attached Financial Policies and Procedures Manual.

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Councillor



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Introduction

The people of Nibinamik First Nation respect each other and want the affairs of the community run in a manner that is open and honest with practices that are lawful.

The “Leadership Body” of our First Nation is responsible to make sure this code is followed. Ultimately the membership of Nibinamik First Nation needs to make sure that code is being followed.

We believe that money/funds that come into our First nation belong to all members/people and as such it is of importance to have this code make to ensure that:

1. All financial decisions are made respecting our beliefs, customs and the seven natural laws; and
2. All money transactions follow a set of practices that show the members today as well as the seven generations from now that the money and assets of the First Nation are managed well and not wasted.

The creator gave us wisdom so that we could choose what is best for our families and communities. We believe that it is in our best interest to have “two” people who will represent us when entering into contracts borrowing/spending money or loaning money.

Our First Nation delegates the responsibility of making sure that staffs who are managing our finances are the best qualified individual(s) for the task.

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Preamble

1.0 Definitions

1.1 Please refer to Appendix A for the definitions utilized in this policy.

2.0 Process for Addressing Complaints

2.1 Any Member who believes that the Council or staff is not following this policy can direct his or her concerns to the Band Manager and/or their Designate record them at the Nibinamik First Nation's (NFN) administrative offices. The Band Manager must respond in writing to the complainant within 30 days.

2.2 If the Member is still not satisfied following the response of the Band Manager and/or their Designate, the Member may direct his or her concerns in writing to the Chief of the NFN. The Chief must respond within 30 days.

3.0 Communicating this Policy

3.1 All policies will be available for review by any Member at the First Nation's administrative offices during business hours. All policies will also be posted on the First Nation website or on that portion of the website with limited access to Members. Members of Council and senior staff will have access to the policies on a flash drive.

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Section 1 Financial Policies and Procedures

4.0 Introduction/Application and Definitions

4.1 Objective

The objective of this policy is to provide an overview of the roles and responsibilities of Nibinamik First Nation.

5.0 Nibinamik First Nation Government

5.1 The NFN is a progressive community that provides programs and services to all of its Members. By developing and implementing financial policies that provide accountability with good internal controls and strong financial management, the NFN will continue to build a strong future for generations to come.

5.2 This Financial Policy Manual documents the financial control and management policies to be followed by the NFN. It is the NFN's financial and administrative framework and is designed to provide policy guidelines to NFN employees on the financial management and accounting processes adopted by the NFN. It is the property of the NFN and cannot be referred to completely or in part without written consent of the NFN.

5.3 The NFN's financial and management control will be established and maintained in such a manner as to provide reasonable assurance:

- a) of accountability to funding sources;
- b) that assets are safeguarded, accounted for and controlled;
- c) that internal controls and risk management techniques are in place;
- d) that planning and budgeting processes are employed;
- e) that record-keeping, analysis and reporting processes are in place for performance monitoring and decision-making; and,
- f) legal and regulatory requirements are adhered to.

6.0 Nibinamik First Nation Chief and Council

6.1 The Chief and Councilors are the elected officials of the NFN. The Chief and Councilors work together to provide a sound government for their membership by way of effective strategic and fiscal planning. This Financial Policy Manual is established under the authority of the NFN Council (the Council), and may be amended, from time to time, by the Council, as the Council deems necessary.

6.2 The Council has the power and authority to appoint the Band Manager, and the Council may delegate to the Band Manager any of its authority. Accordingly, the Band Manager is delegated the authority and responsibility for implementing this Financial Policy.

6.3 Any interpretation of the Financial Policies and Procedures will remain with the Band Manager and/or their Designate.

7.0 Application

7.1 These policies apply to all entities controlled by the Council, including but not limited to, the NFN's Band Administration employees, the Nibinamik Education Authority and Nibinamik Power Authority.

8.0 Amendments

8.1 Any amendments to these policies and procedures shall be forwarded, after being reviewed by the Band Manager and/or their Designate, to the Finance and Administration Committee (FAC) for review. The FAC will then forward a recommendation for Approval by the Council. Any such amendments will appear in the FAC meeting minutes.

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Amendments to these policies and procedures require quorum approval of the Council. Any such amendments will be stated in a formal motion and appear in the meeting minutes.

- 8.2 The Band Manager and/or their Designate, through the FAC, will review these policies on an annual basis and will present any policies that require modification or change to the Council for approval.
 - 8.3 Recommendations to amend any part of these policies and procedures must be submitted in writing to the Council. The Council reserves the right to consult outside experts to review the impact or financial implications of any proposed amendment.
 - 8.4 The Band Manager and/or their Designate will ensure the policies and procedures are updated in accordance with any motions to amend. He/she will ensure all relevant staff is informed, in writing, of any changes to these policies and procedures.
 - 8.5 It will be the responsibility of the Band Manager and/or their Designate to ensure implementation of these policies and procedures to that:
 - a) A complete record of all financial transactions is provided in a form suitable for management and audit purposes;
 - b) An appropriate system of internal control is maintained to safeguard assets controlled by the NFN to ensure its ability to meet its financial responsibilities and to foster a reliable reputation in the business community;
 - c) NFN employees who handle NFN assets are given proper direction for the performance of their duties; and,
 - d) All requirements regarding financial administration are adequately and consistently fulfilled in accordance with funding arrangement and/or agreements.
- 9.0 Responsibilities of Council
- 9.1 The Council is responsible for all matters relating to the financial administration of the NFN, whether or not they have been assigned or delegated to an officer, employee, committee, contract or agent by or under this policy.
 - 9.2 For this policy and any other applicable NFN policy, the Council may delegate to any of its officers, employees, committees, contractors or agents any of its functions under this policy except the following:
 - a) approval of Council policies, procedures and directions;
 - b) appointment of members and chairperson of the FAC;
 - c) approval of capital acquisitions in excess of \$25,000;
 - d) approval of NFN budgets and financial statements; and,
 - e) approval of NFN borrowing.
- 10.0 Council Policies, Procedures and Directions
- 10.1 The Council will review and approve policies and procedures, and give directions respecting implementation relating to NFN financial administration.
 - 10.2 The Council will review and approve policies or procedures, and give directions respecting the acquisition, management and safeguarding of NFN assets.
 - 10.3 The Council must not approve any policies or procedures, or give any direction relating to the financial administration of the NFN that are in conflict with this policy.
 - 10.4 The Council must ensure that all human resources policies and procedures are designed and implemented to facilitate effective internal financial administration controls.
 - 10.5 The Council must document all its policies, procedures and directions, and make them

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available to any person who is required to act in accordance with them or who may be directly affected by them.

11.0 Reporting of Remuneration, Expenses and Contracts

11.1 Annually, the senior financial officer must prepare a report separately listing the following:

11.1.1 The total amount of remuneration, expenses and benefits paid to the Chief and Council.

11.1.2 Subsection 11.1 does not require reporting remuneration, expenses or benefits received:

- a) in common by all NFN Members;
- b) as a result of, loans and receivables;
- c) under a program or service universally accessible to all NFN Members on published terms and conditions; or,
- d) from a trust arrangement according to the terms of the trust.

12.0 Review and Evaluation of this Policy

12.1 The Council will review this policy within 5 years of its adoption and decide whether further evaluative work is necessary. A record of the review will be documented in writing and attached to the Policy

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Section 2 Finance and Administrative Committee

1.0 Objective

1.1 The objective of this policy is to describe the roles and responsibilities of the FAC.

2.0 Roles and Responsibilities

2.1 The FAC will be established in accordance with the provisions contained in the Financial Policy and will conduct committee meetings in accordance with the provisions contained in the Financial Policy.

2.2 The FAC will act honestly and with integrity, and in an efficient, effective and ethical manner when executing the provisions of the Financial Policy.

2.3 The committee will have five (5) members – one (1) member of council and four (4) NFN Members. One (1) of the members shall be an elder, and one (1) shall be a youth. Terms of members will be two years and individuals will be appointed by Chief and Council.

2.4 Appointment by Chief and Council to the committee will be based on the individual's interest and ability in dealing with financial matters. Length of terms will be consistent with Chief and Council length of term.

2.5 FAC members will be eligible to receive a monthly stipend of \$250 to compensate them for their time only if attendance at meetings results in a loss of other salary or the FAC member is not receiving a salary from another source.

2.6 Missing three (3) consecutive regular or special meetings automatically ends monthly stipend payments.

2.7 Quorum must be at least three (3) members.

2.8 Regular meetings will be held the second Thursday of every month at a minimum.

2.9 The Band Manager and/or their Designate, in addition to any duties referred to in the Financial Policy, will work closely with the Chairperson and Vice-Chairperson and the FAC by scheduling meetings of the FAC, setting the agenda for the meetings and arrange for meeting minutes to be recorded at all meetings.

2.10 The FAC, in addition to any other duties referred to in the Financial Policy, will ensure the following are fulfilled:

2.10.1 Cause the following functions to be completed by the appropriate party, specifically an Officer of the NFN, respecting the overall financial administration of the NFN:

- a) receipt of NFN funds is directed to the NFN;
- b) monitoring of the expenditure of NFN funds by the NFN;
- c) review of the expenditure of funds made by the NFN;
- d) ensure the financial records of the NFN are maintained in accordance with generally accepted accounting principles and practices;
- e) ensure that the financial administration system of the NFN Finance Department is maintained in accordance with any current system utilized by the Authority;
- f) prepare an overall annual budget for the NFN in accordance with the financial priorities as directed by the Council;
- g) review the NFN's financial position on a monthly basis and prepare an accurate variance report to the Council on all substantial or material variances in the budget of any Department and/or Program;
- h) ensure the Departmental Directors report on any expenditures that deviate from their budgets on a monthly basis, including any over-expenditures of the Department and/or Program on a monthly basis;

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- i) receive and review the completed NFN audit, and address those items of concern raised by the auditor as contained in the management letter;
 - j) report any deficiencies in accounting practices and training requirements to Chief and Council; and,
 - k) ensure reporting is complete and on time.
- 2.10.2 Ensure that those Business Entities receiving NFN funds directly provide the NFN Finance Department with a copy and details of the funding received by said Business Entity.
- 2.10.3 Make recommendations to the Chief and Council on all matters of a financial nature.
- 2.10.4 Attend to other matters relating to the financial affairs of the NFN.
- 2.11 The FAC, in addition to any other duties referred to in the Financial Policy, will ensure the Band Manager and/or their Designate complete the following:
- 2.11.1 Cause the following to be completed by an Officer, Department, Program or Business Entity of the NFN respecting the financial administration of the respective Department, Program or Business Entity:
- a) review the financial position of the Departments and/or Programs on a monthly basis, and prepare a variance report for the NFN on all substantial or material variances in the budgets of those Departments and/or Programs;
 - b) ensure the Department and/or Program manages the preparation of an annual audit;
 - c) receive and review the completed audit of the Department and/or Program, and address those items contained in the management letter
 - d) make recommendations to the NFN on matters of a financial nature affecting the Department and/or Program; and,
 - e) attend to other matters relating to the financial affairs of the Department and/or Program.
- 2.11.2 Monitor a Department/Program/Business Entity to ensure that the said Department/ Program/Business Entity is adhering to the Financial Policy. In the event that a Department/Program/Business Entity is not adhering to the Financial Policy, the Band Manager and/or their Designate will examine the operations of the Department/Program/Business Entity and make recommendations to the FAC on the remedial action that may be taken by the FAC and NFN respecting the said Department/Program/Business Entity.
- 2.12 The FAC will cause to be prepared amendments to the annual budget for review by the NFN. If approval is given by the NFN, the approval will be made by a resolution of the FAC.
- 2.13 The FAC will direct the Band Manager and/or their Designate to ensure the financial records of the NFN are maintained through the finance administration office of each Department and/or Program.
- 2.14 The FAC will ensure the Band Manager and/or their Designate causes the following to be acted upon by the appropriate officer of the NFN.
- 2.14.1 Financial administration of the NFN, including:
- a) preparation of budget estimates;
 - b) determination of financial commitments;
 - c) preparation of accounts;
 - d) preparation of leases or charges for the provision of services or the use of facilities of the NFN or rental of NFN property;

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- e) purchase of adequate insurance for coverage of all NFN property, including property owned by a NFN Business Entity;
 - f) issuance of licenses and leases;
 - g) revenues are collected from disposition of property; and,
 - h) proper financial record-keeping is maintained.
 - 2.14.2 Accounting revenues received, or receivable, from any source whatsoever.
 - 2.14.3 Preparation of a financial plan by each Department and/or Program, and where applicable, by a Business Entity of the NFN.
 - 2.14.4 Complete other tasks that may be directed by the NFN.
 - 2.15 The FAC will review the annual budgets and long-term expenditure plans of the Departments and/or Programs of the NFN, and upon completion of the review prepare a list that prioritizes the needs of each Department and/or Program.
 - 2.16 The FAC, in the exercise of its powers under these procedures, is subject to the discretion of the NFN. For example, the Chief and Council may request that the FAC amend or revoke any activity that is deemed by the Chief and Council to be detrimental to these procedures. In the event that the FAC fails to amend or revoke such activities, the NFN may, by resolution at a duly convened meeting of the Chief and Council, take the steps to amend or revoke the activities of the FAC.
 - 2.17 The FAC will direct the Band Manager and/or their Designate to ensure an Officer of the NFN locates any person in debt to the NFN and start proceedings to collect on such debts. The Officer will take such procedures to secure payment by collecting on funds owing by such a person from any Department and/or Program of the NFN where the person may be employed, or from any Department and/or Program that may owe funds to the person.
 - 2.18 The FAC, in conjunction with the Band Manager and/or their Designate and Department Directors may develop financial procedures in the following areas:
 - a) ensuring effective coordination of administrative functions and services for each Department and/or Program of the NFN and between those respective departments or programs;
 - b) establishing general administrative standards and implementing systems that measure and assess the performance of such departments referred to in and based upon those standards;
 - c) collecting, managing, administering and accounting of NFN funds;
 - d) keeping of records pertaining to NFN property;
 - e)
- 3.0 FAC Chairperson
- 3.1 The Chairperson of the FAC, in addition to any duties referred to in the Financial Policy, will work closely with Council and the FAC by supporting the Director of Finance in scheduling meeting of the FAC, setting the agenda for the meetings and chairing meetings accordingly.
- 4.0 Review and Evaluation of this Policy
- 4.1 The Council will review this policy within 5 years of its adoption and decide whether further evaluative work is necessary. A record of the review will be recorded in writing and attached to the policy.

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Section 3 Accounting Systems

- 1.0 Objective
 - 1.1 The objective of this policy is to describe the NFN accounting systems.
- 2.0 NFN shall use a financial record-keeping system where transactions and events are reliably processed and summarized into useful financial statements and reports.
- 3.0 The accounting system will ensure that all funds received and expended are properly recorded and debited/credited to the proper account, and that financial reporting requirements for funding agencies are met, as per contractual agreements.
- 4.0 Staff will be provided with training to ensure they have adequate knowledge and abilities to maintain duplicate, cross-referenced bookkeeping and filing, and retrieve and/or verify information on individual transactions.
- 5.0 The General Ledger will be maintained and updated monthly to facilitate a continual accounting of revenue received, expenses incurred, and changes to assets, liabilities and equity.
- 6.0 Bank reconciliations will be prepared monthly, by the 15th of each month.
- 7.0 Monthly listings of the aging of Accounts Receivable and Accounts Payable will be prepared and balanced to the General Ledger control accounts. These will be presented to the Band Manager on a monthly basis (more frequently for Accounts Payable is preferred).
 - 7.1 All billing activities will be completed by Accounts Receivable staff within 5 business days; and,
 - 7.2 All Accounts Payable activities should be recorded on a timely basis; daily is preferred, not less frequently than weekly.
- 8.0 Accounting and reporting systems will be based on Generally Accepted Accounting Principles; all incoming funds and outgoing expenditures will be debited/credited to the appropriate program.
- 9.0 Review and Evaluation of this Policy
 - 9.1 The Council will review this policy within 5 years of its adoption and decide whether further evaluative work is necessary. A record of the review will be documented in writing and attached to the policy.

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Section 4 Financial Budget Management

1.0 Objective

1.1 The objective of this policy is to define the responsibilities and expectations for the system and process of budget management that Department Managers at all levels must exercise and be accountable for in the stewardship and oversight of available resources. The expected results is to achieve strengthened and standardized budget and financial risk management processes and controls for the NFN.

2.0 Good budget management ensures that resources are used for their approved intended purposes, and is effective, efficient and transparent. It also ensures that budget decisions are based upon well-documented analyses, forecasts and high-quality information integrated with related non-financial performance information used to achieve results. Good budget management is important for responsible managing, decision-making, and is a central part of the planning process in any organization. Good planning helps to prevent deficits and provide the time needed to adjust priorities to meet the availability of funding.

3.0 The FAC will receive all annual budgets submitted by the Departments and/or Programs of the NFN. The budgets will be reviewed and, if deemed acceptable by the FAC, the budgets will be presented to the Chief and Council for approval. Each Program Director will be responsible for monitoring his/her budgets. Program budget monitoring and controlling will involve a review of the monthly financial statements comparing budget to actual expenditures.

4.0 The Band Manager and/or their Designate will prepare a comprehensive annual budget, which includes the annual budgets of all Departments and/or Programs of the NFN.

5.0 In preparing the annual budget, it is necessary to include all expected inflows and outflows. To do so, an analysis of past cash flows is required. A thorough examination of past cash flow trends is the first step ineffective cash flow forecasting.

6.0 To monitor budgets, actual expenditures for each program area have to be compared to monthly cash flow projections of the original budget. Current quarterly financial statements should be compared to cash flow projections to ensure close monitoring of expenditures. Adjustments can be made to the budget as becomes necessary.

7.0 The Band Manager and/or their Designate will be responsible for ensuring annual budgets for each program area are prepared by the respective Program Director (and/or in consultation with the appropriate committee where required). Every budget will include the signature of the respective Director and the date it was prepared. The budgets are subject to review by the Band Manager and/or their Designate.

8.0 The budgets will be prepared by February 15th for the upcoming April fiscal year. The budgets will be reviewed by the Band Manager and/or their Designate to ensure accuracy of revenues and expenditures.

9.0 Once the respective Program Committee has reviewed the budgets, an FAC meeting will be held for each Program Director to present his/her budgets. This meeting will be held by February 28th.

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- 10.0 The FAC will recommend formal approval of all budgets to Chief and Council after completion of the committee meeting. Every effort will be made to obtain final approval by Chief and Council by March 15th.
- 11.0 Upon approval by Chief and Council, the budgets, if required, will be forwarded by the appropriate Program Director to the respective funding agency for approval to ensure compliance with funding guidelines.
- 12.0 Each Program Director will be responsible for monitoring their program budgets.
- 13.0 Revised budgets must contain the signature approval of the appropriate Program Director and the date of preparation. The revised budget(s) will be forwarded to the Band Manager and/or their Designate for signature approval. Copies will be forwarded to the FAC and the Travel/Finance Clerk.
- 14.0 The terms and conditions of funding agencies must be adhered to should a specific program or project require budget revisions.
- 15.0 The respective Program Managers will be required to complete narrative summary of the status of their programs(s) and comment on the Variance Report after each quarter of the fiscal year. This report is to be presented to the Band Manager and/or their Designate, within fifteen (15) working days of the quarter end.
- 15.1 The Report will outline:
- a) The reasons for significant shortage/overage; and
 - b) recommendations to bring the program budget back in line.
- 15.2 Should a comparison between actual monthly revenues/expenditures and budgeted revenues/expenditures reveal no significant variance, a statement verifying that the budget is on target will be issued to the Band Manager and/or their Designate.
- 16.0 Throughout the fiscal year the Band Manager and/or their Designate may identify program areas where actual expenditures are significantly over/under projected expenditures, and advise the Band Manager and/or their Designate. The Band Manager and/or their Designate may request, at any time, a Variance Report upon the discovery of financial discrepancies.
- 17.0 Should unexpected or unforeseen expenses be incurred in one part of a program, variance report corrective measures may be in the form of an expenditure reduction to another area of the respective program. Only in situations where flexibility is allowed between functions or programs may Program Directors recommend transfers.
- 18.0 The Business Entities of the NFN will present their annual budgets, which have been approved by the NFN or its Committee, for review by the FAC. The FAC will ensure that the annual budget complies with the provisions of any funding arrangement the Business Entity has entered into as an entity of the NFN. If the budget is deemed to be in order, the FAC will recommend the budget be presented to the NFN Chief and Council for their approval. Funds provided are to be expended for the purposes identified and approved in signed contractual agreements. Only in situations where flexibility is allowed between functions or programs may transfers be recommended by Program Directors or Directors. The Band Manager and/or their Designate will authorize all program transfers or inter-fund transfers.

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- 19.0 The Chief and Council may amend the budgets by increasing the allocation of funds, reducing the allocation of funds or directing an allocation of funds to another Department and/or Program, by Council motion upon the recommendation of the FAC. The Chief and Council may amend the budgets from time to time by Council motion.
- 20.0 A summary of the annual budget will be made available for inspection to Members of the NFN during regular working hours and copies may be dispensed to Members of the NFN, provided the Member gives reasonable notice to the Band Manager and/or their Designate. Salary information for band employees will not be released due to privacy legislation.
- 21.0 Any items deemed to be of a confidential nature, or which may affect the NFN or a Business Entity of the NFN, will not be made available to the NFN Members.
- 22.0 Procedures will be prepared on how budgets are developed (e.g., using costed work plans, forecasting, use of surplus funds, budget reallocation, dealing with financial deficits, and preparation for year spending).
- 23.0 **Review and Evaluation of this Policy**
The Council will review this policy within 5 years of its adoption and decide whether further evaluative work is necessary. A record of the review will be recorded in writing and attached to the policy.

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Section 5 Delegation of Financial Signing Authorities

- 1.0 Objective
 - 1.1 The objective of this policy is to ensure that appropriate financial and operational management controls are applied to the decision processes in spending money and that they contribute to the effectiveness of program delivery and to the accountability of the authority process.

- 2.0 Proper Use of Authority
 - 2.1 The proper use of authorities is essential to ensuring that financial and operational management controls are correctly applied in NFN decision-making processes. These controls are in place to safeguard the resources made available to the NFN, to ensure that the use of these resources contributes to the effectiveness of project management and to support accountability for decisions. Directors with delegated authority or authority to act on behalf of the Council are granted only that authority related to management of the human, financial and other resources under their control. To help achieve good internal control, the following principles are to be followed.

- 3.0 General Principles
 - 3.1 Granting of authorities is made in good faith and trust.
 - 3.2 Delegations from the Council are made at the maximum levels possible to management levels but are subject to some restrictions and other limitations stipulated by the Council and the Band Manager.
 - 3.3 Authorities must only be applied in the context of undertaking assigned responsibilities, within an approved mandate and the scope of operations under the assignee's control. Any use of authority to do something beyond the person's scope is an abuse of that authority.
 - 3.4 Delegations made to the lowest level of management apply to all higher management level unless otherwise stated.
 - 3.5 Authorities and delegations cannot be transferred from one person to another.
 - 3.6 Authorities can be exercised on an acting basis.
 - 3.7 Authorities are subject to revocation if abused.
 - 3.8 Annual reviews will be made to ensure the continuing relevancy of the delegations.

- 4.0 Principles Related to Financial Delegations
 - 4.1 There must be separation of spending and payment authorities (i.e., those who commit expenditures and authorize spending cannot then sign the cheque when paying that same payee). This recognizes the need for a division of duties in order to maintain financial integrity. Therefore, in cases where a position (usually a financial position) has been delegated spending and payment authority, the incumbent must not exercise both authorities on the same transaction.
 - 4.2 Spending or payment authority cannot be exercised on a transaction from which the authorizing individual could receive personal benefit (i.e., paying own travel claims).

- 5.0 Amendments to the Table of Delegations and Authorities
 - 5.1 The Table of Delegations and Authorities will be reviewed on a regular basis and be amended, as deemed appropriate, by the Chief and Council. The Band Manager does, however, retain authority to suspend or revoke use of authorities or delegations for individual Senior Directors if there is just cause.

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- 6.0 Granting, Amending, Reviewing and Revocation of Authority
- 6.1 Financial signing authorities are delegated to positions in the NFN. These are shown in the Table of Delegations and Authorities document and are often made conditionally; they are described in the document. Individuals are designated as incumbents to positions when they are appointed and assume the delegations and authorities associated with that position; unless these are specifically suspended (e.g., for a three-month probationary period for a new appointee) or revoked (when abused) by the Band Manager and/or their Designate. Only individuals who are NFN employees may be granted financial signing authority. An employee excludes the following:
- a) employed on a term basis for less than 3 months;
 - b) employed on a casual basis (up to 90 days);
 - c) working part-time (less than 12 hours per week);
 - d) employed under a student employment program;
 - e) persons from temporary help agencies; or,
 - f) contractors, consultants and/or co-manager.
- 6.2 In very rare situations, the Council may give signing authority to a non-employee in specific cases.
- 6.3 If any abuse of authority occurs by an employee and or non-employee who has been designated to a position, the Band Manager and/or their Designate can revoke signing authority by notifying the incumbent, Chief and Council and the FAC in writing.
- 7.0 Delegation of Authority on Acting or Temporary Basis
- 7.1 A formal designation in writing (e-mail is acceptable) must be made by the Band Manager and/or their Designate whenever a person is appointed on an acting or temporary basis to a position in a higher level of delegated authority.
- 8.0 Review and Evaluation of this Policy
- 8.1 The Council will review this policy within 5 years of its adoption and decide whether further evaluative work is necessary. A record of the review will be documented in writing and attached to the policy.

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Section 6 Requests to Purchase Goods and Services

- 1.0 Objective
 - 1.1 The objective of this policy is to ensure that there are appropriate processes for purchasing goods and services.
- 2.0 The NFN is responsible for ensuring that purchases are authorized, payables are accurately recorded and payments are made for goods and services received. The purchase of services, equipment and/or supplies requires two separate stages for expending funds. Stage one is the commitment of funds (using purchase orders) to purchase services or items. Stage two is the expenditure of funds (cheque writing) for the purchase of services or items.
- 3.0 The policies and procedures contained in this section address proper procedures for controlling expenditures in the initial commitment of funds stage.
- 4.0 The NFN first will use purchase orders to commit funds for the purchase of services or items. Individuals requiring a purchase order will fill out a Purchase Order Request Form and have it approved by their Department Manager prior to submitting it to the Finance Department for processing.
- 5.0 The NFN will designate positions within the organization that will have spending authority. The designated positions and spending authority will be listed in the Table of delegations and authorities.
- 6.0 While the Council has no authority limits, a purchase order exceeding \$25,000.00 must be approved by a quorum of Council.
- 7.0 Under no circumstances are the purchasing limits of each authority to be circumvented through the use of two or more purchase orders to commit funds in the purchase of any one item or service.
- 8.0 The persons designated with spending authority, under authority granted through Council motion may authorize a commitment of funds from the appropriate program budget. Under no circumstances are those with spending authority authorized to purchase from expense accounts outside of their designated program area(s).
- 9.0 Any changes made to spending authority positions, authority limits or authorized accounts will be approved by a quorum of Council.
- 10.0 The Band Manager and/or their Designate will sign all purchase orders for approved purchases. Should the Band Manager be in conflict, the Finance Clerk will sign the purchase order for the approved purchase.
- 11.0 Any NFN employee who wishes to purchase an item or service will obtain the best possible financial arrangement for the NFN wherever possible. This means obtaining the best possible price quotes, bulk purchases and shipping costs available.
- 12.0 All requisitions will be inputted into the accounting software, printed and signed by the respective Program Director responsible for the area and sent to the Finance Department, where a purchase order will be issued and controlled by the Finance Clerk.

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- 13.0 A Requisition for Purchase Order (Appendix B) will be submitted to the Finance Clerk, who will review the form and verify the following:
- a) The Program Director has identified an approved and designated budget.
 - b) Purchases are made in accordance with established NFN policies and procedures.
 - c) The authorization to purchase has been approved by a quorum of Chief and Council, should the amount exceed the Band Manager's spending authority.
 - d) The Program Director has verified that services or goods to be purchased are required for a NFN service and are in accordance with existing funding/contractual agreements signed with NFN funding agencies.
- 14.0 The staff member who requires the services/goods will input the Requisition for Purchase Order into the accounting software. The requisition will be coded by the appropriate Program Director and forwarded to the Finance Department by 10:00 a.m. on Monday, Wednesdays and Friday's for that week's input into the Purchase Order form for payable. The Finance Clerk will certify whether or not funds are available within the approved budgets and the requisition returned to the appropriate Program Director.
- 15.0 Upon availability of funds and approval by the Program Director, the Finance Clerk will complete a computerized Purchase Order (Appendix B) and forward the original Purchase Order to the Program Director and the second copy to the Program Director for his/her retention. The third copy will be retained at the Finance Department in numerical order to be processed for payment.
- 16.0 All purchase orders must contain the following information:
- a) Name and address of item or service supplier;
 - b) Unit price and quantity, where applicable;
 - c) Description of item or service;
 - d) Total costs of the purchase;
 - e) Account and departmental code; and,
 - f) Director of Finance, or designate, signature.
- 17.0 No purchase is to be approved unless funds are provided within the Program/Project budget.
- 18.0 Expenditures within a program that has an overall deficit as identified by the Director of Finance will not be approved. The appropriate Program Director must meet with the Band Manager and/or their Designate to outline the identification of funds so the deficit will be resolved before further expenditures are approved.
- 19.0 Employees purchasing without prior approval as stated in this section may be subject to disciplinary action as per NFN Employment Agreements.
- 20.0 Review and Evaluation of this Policy
- 20.1 The Council will review this policy within 5 years of its adoption and decide whether further evaluative work is necessary. A record of the review will be documented in writing and attached to this policy.

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Section 7 Disbursements

- 1.0 Objective
 - 1.1 The objective of this policy is to ensure that there are appropriate processes for payment of goods and services.

- 2.0 The second stage for the purchase of goods and/or services is the payment of purchases. A supplier or service provider must submit an invoice or documents for any goods and/or services sold to the NFN.

- 3.0 Payment Authority (verifies the invoice and signs the cheque) – Payment Authority is the authority delegated by the Council to requisition payments (sign cheques) and to charge the "Director's Budget" after reviewing the payments. No charge will be made against a Department Director's budget except on the request of the appropriate Department Director.

- 4.0 This section outlines the second stage to making a purchase – the cash disbursement stage.
 - 4.1 Upon receipt of goods, the employee authorized to receive the goods and/or supplies will verify the quality and quantity of goods against the packing slip or stamp-certify on the invoice (if applicable) that goods are received. The employee will forward the packing slip or invoice to the Finance Clerk.
 - 4.2 Upon receipt of an invoice for services, the appropriate Program Director will verify services rendered on the invoice. The invoice and/or supporting document(s) shall be forwarded to the Senior Accounts Clerk.
 - 4.3 Upon opening the mail, the Central Registry staff will date-stamp all invoices received and forward to the Senior Accounts Clerk.
 - 4.4 Upon receipt of the invoice, the Finance Clerk, or designate, will ensure the following:
 - a) the quality of goods is received in good order;
 - b) the quantity of all items is certified as received;
 - c) the purchase order is reconciled to the packing slip as applicable; and
 - d) the price and total charge on the invoice are verified against the copy of the purchase order.
 - 4.5 In the case of a discrepancy exceeding \$100.00 between the purchase order amount and the amount appearing on the invoice, the Senior Accounts Clerk will advise the appropriate Program Director who will be asked to justify the discrepancy and to contact the supplier to correct any errors identified.
 - 4.6 Once the Senior Accounts Clerk has reconciled the invoice with the matching purchase order(s), packing slip, and/or supporting documents, they shall be added to the open payable listing where the Band Manager and/or their Designate will approve for payment.
 - 4.7 The Band Manager and/or their Designate will return the approved invoices to the Finance Clerk to process payment.
 - 4.8 Prepayments or pre-authorized payments will only be approved as deemed necessary by the Band Manager and/or their Designate.
 - 4.9 All invoices received from suppliers and/or service providers will be paid by the "due date" or within thirty (30) calendar days to prevent a poor credit rating and to avoid interest charges, provided the necessary documents are complete.
 - 4.10 The cheque payment schedule will be as follows:

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- 4.10.1 General accounts payables will be processed once per week for both EFT and cheques.
- 4.10.2 Local accounts payables will be processed on the last business day of each week.
- 4.10.3 Urgent or emergency cheque payments will be processed upon the authority of the Band Manager and/or their Designate or Chief, if the Finance Clerk adheres to the Financial Policies and Procedures.
- 4.11 When a cheque is issued for an invoice, the invoice will be stamped "PAID" with the cheque number and issuance date recorded with the cheque stub attached. This will clearly indicate the invoice payment and prevent accidental duplicate payments.
- 4.12 Each cheque requires the signatures of two (2) authorized signing authorities as per Signing Authorities (see Section 5). These signing authorities should always receive the supporting documentation prior to signing the cheque.
- 4.13 Under no circumstances will a cheque be signed until the amount and name of the payee are entered on the cheque.
- 4.14 Wherever possible, signing authorities will not sign or prepare cheques made payable to themselves or to members of their immediate family. The signing authority shall also adhere to the Conflict of Interest Guidelines. Immediate family is defined as: spouse (including common-law spouse residing with the employee), children (including children of legal/step children or common-law spouse or foster care of custom adoption), parents (including step-parents), foster parents, mother/father-in-law, brothers, sisters, sister/brother-in-law, grandparents, grandchildren or any other relative residing in the employee's household.
- 4.15 All documentation supporting a purchase transaction will be filed alphabetically by supplier name by the Finance Clerk, or designate.
- 4.16 All disbursements or payments issued by the First Nation are to be in a form of a cheque, except for those payments made through the petty cash fund, as per Petty Cash Section.
- 4.17 Payments made through bank transfer (EFT)/draft may be requested by the Executive Director or Program Director and need to be authorized by two (2) signing authorities. Bank charges for the bank draft/transfer will be covered by the appropriate program or payee.
- 4.18 When a purchase transaction occurs between programs, the procedures for Request to Purchase Good and Services (Section 6) and Disbursements (Section 7) will be followed.
- 4.19 All consecutively numbered blank cheques will be stored under lock and key by the Finance Clerk, or designate.
- 4.20 Should a cheque be reported lost, destroyed or stolen, it will be cancelled and a stop payment order sent to the financial institution. A second cheque may be issued only after the financial institution has received a stop payment order and a written agreement is in place whereby the payee agrees to return the original cheque to the NFN should the payee later receive it. The NFN reserves the right to deduct the stop payment order fees from re-issued cheque.
- 4.21 NFN cheques not processed by the financial institution (outstanding cheques) within six (6) months of the date of issue are considered "stale-dated". These payments should be voided and a notice sent to the financial institution advising of the stop payment. Another cheque may be issued upon request of the payee. The NFN reserves the right to charge a processing fee of \$30.00 for the re-issued cheque.
- 4.22 No person(s) will be authorized to make withdrawals on the NFN bank accounts directly from the financial institution unless EFT are approved by the Band Manager and/or their Designate.

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5.0 Review and Evaluation of this Policy

5.1 The Council will review this policy within 5 years of its adoption and decide whether further evaluative work is necessary. A record of the review will be documented in writing and attached to this policy.

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Section 8 Accrued Liabilities

- 1.0 Objective
 - 1.1 The objective of this policy is to ensure that all liabilities are included in financial reports.

- 2.0 Definitions
 - 2.1 Please refer to Appendix A for the definitions utilized in this policy.

- 3.0 Process for Addressing Complaints
 - 3.1 Any Member who believes that the Council or staff is not following this policy can direct his or her concerns to the Band Manager and/or their Designate record them at the Nibinamik First Nation's (NFN) administrative offices. The Band Manager must respond to the complainant within 30 days.
 - 3.2 If the Member is still not satisfied following the response of the Band Manager and/or their Designate, the Member may direct his or her concerns in writing to the Chief of the NFN. The Chief must respond within 30 days.

- 4.0 Communicating this Policy
 - 4.1 All policies will be available for review by any Member at the First Nation's administrative offices during business hours. All policies will also be posted on the First Nation website or on that portion of the website with limited access to Members. Members of Council and senior staff will have access to the policies on a flash drive.

- 5.0 The Band Manager and/or their Designate should ensure that appropriate accruals are being recorded at each reporting period. This includes accruals for trade accounts payable as well as employee benefits and deferred revenue. Accrual for audit fees will be entered as of April 1st.

- 6.0 Review and Evaluation of this Policy
 - 6.1 The Council will review this policy within 5 years of its adoption and decide whether further evaluative work is required. A record of the review will be documented in writing and attached to the policy.

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Section 9 Petty Cash

- 1.0 Objective
 - 1.1 The objective of this policy is to ensure the cost-effective and efficient use of petty cash funds while maintaining the required level of control.
- 2.0 If cash on hand is needed for incidentals, minor purchases or reimbursements for which the cheque disbursement process may not be practical, the Band Manager and/or their Designate can establish a petty cash fund.
- 3.0 A petty cash fund of \$1,000 will be established. To establish the fund, a cheque will be drawn, made payable to the Finance Clerk, or designate, and debited to the Petty Cash account.
- 4.0 Once the cheque is cashed the money will be stored by the Finance Clerk, or designate, in a locked cash box during normal business hours and stored in the safe after regular business hours.
- 5.0 Each petty cash disbursement may not exceed \$80.00.
- 6.0 The petty cash fund should not be used to make purchases that would normally be planned. Petty cash may be used in the following circumstances:
 - a) to make an incidental purchase;
 - b) to be reimbursed for an incidental purchase; and
 - c) for refunds of travel expense claims.
- 7.0 An employee requiring petty cash will request a Petty Cash Voucher from the appropriate Program Director, designate, who will code the expense account and recommend approval.
- 8.0 The Finance Clerk, or designate, will certify availability of funds and disburse funds accordingly; if funds are unavailable, petty cash funds will not be disbursed.
- 9.0 If petty cash funds are received, an official receipt must be returned to the Finance Clerk, or designate, by the end of the next business day. The employee must submit an official receipt for each purchase before receiving additional petty cash funds.
- 10.0 Under no circumstances will the "Statutory Declaration" (Appendix C) be accepted for the loss of a receipt for petty cash funds.
- 11.0 Outstanding receipts for petty cash voucher exceeding five (5) business days will be forwarded to Payroll for deduction from the employee's pay by the Finance Clerk, or designate.
- 12.0 The Finance Clerk, or designate, is responsible for maintaining the petty cash fund as per operational requirements. This fund must be replenished once the remaining funds reach \$200.00.
- 13.0 The replenishment cheque will be for receipts recorded and will be made payable to the Finance Clerk, or designate, upon approval by the Band Manager and/or their Designate.

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- 14.0 Petty cash receipts and money in the petty cash box should always equal the amount of the fund.
- 15.0 The Band Manager and/or their Designate will regularly audit the fund.
- 16.0 Opening and closing a petty cash fund requires FAC approval.
- 17.0 Review and Evaluation of this Policy
 - 17.1 The Council will review this policy within 5 years of its adoption and decide whether further evaluative work is necessary. A record of the review will be documented in writing and attached to the policy.

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Section 10 Cheque Signing Authority

- 1.0 Objective
 - 1.1 The objective of this policy is to ensure that there are appropriate processes in the cheque signing process and that the process identifies who is authorized to sign cheques.

- 2.0 Upon recommendation of the FAC, the Chief and Council, by motion, will designate staff and council members to administer funds for everyday operations on behalf of the NFN.

- 3.0 It is the responsibility of the Band Manager and/or their Designate to ensure all the proper bank documentation is prepared and submitted as per guidelines established by the financial institution. The Band Manager and/or their Designate will retain copies of all documents.

- 4.0 Upon approval by Council, the Band Manager and/or their Designate will sign the required bank documentation, which will include the following information.
 - 4.1 Council motion(s) approving signing authorities.
 - 4.2 List of authorized cheque signing authorities.
 - a) <Insert list of cheque signers>
 - 4.3 A bank authority signature specimen card will be signed by all designates named in Section 7.2.

- 5.0 Each cheque will require signatures of two (2) authorized signing authorities, with the exception of the Trust account.

- 6.0 Any changes to signing authority designates must be approved by a quorum of Council. The Band Manager and/or their Designate will notify the financial institution of any changes in signing authority with the required documentation.

- 7.0 Review and Evaluation of this Policy
 - 7.1 The Council will review this policy within 5 years of its adoption and decide whether further evaluative work is necessary. A record of the review will be documented in writing and attached to the policy.

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Section 11 Account Verification/Disbursement

- 1.0 Objective
- 1.1 The objective of this policy is to ensure that accounts for payments and settlement are verified in a cost-effective and efficient manner while maintaining the required level of control.
- 2.0 It is NFN policy to pay on time, 30 days from the invoice date, amounts that represent a legitimate obligation and are correct. Account verification processes are designed and operated in a way that will maintain probity and accountability, while taking into consideration the varying degrees of risk associated with each payment.
- 3.0 Verification Process
- 3.1 Spending Authority (approves the invoice for payment) -This is the authority delegated by the Council under Spending Authority to certify that goods and services were received or that a recipient is eligible for payment and in compliance with the terms and conditions of the contract, purchase order or other funding arrangements. When certifying under the Spending Authority, the signatory is also responsible to ensure that all relevant NFN policies have been followed.
- 3.2 Payment Authority (verifies the invoice and signs the cheque) -Payment Authority is the authority delegated by the Council to requisition payments (sign cheques) and to charge the Director's Budget after reviewing the payments. No charge will be made against a Department Director's budget except on the request of the appropriate Department Director.
- 3.2.1 Payments made before completion of the verification process may include, for example, the following:
- a) regular utility invoices such as telephone, heat and hydro where the invoice amount may vary from month to month;
 - b) source deductions, WSIB premiums and insurance;
 - c) invoices covering numerous small-value items, with regular suppliers, where the individual transaction amounts are considered low risk, such as taxis and credit card billing; and
 - d) periodic invoices with established suppliers for services such as maintenance, computer rental and equipment rental, where the periodic invoice is normally the same amount each month.
- 3.2.2 Documentation may include information relating to contracts, leases, purchase orders/requisitions, staffing requests, program terms and conditions, and the like. Any other documentation that provides evidence of the extent of the commitments involved, the agreed prices for the services and supplies, the precise specifications and requirements, and the agreed payment terms should be maintained as required.
- 3.2.3 Each Department should determine the appropriate documentation or information required to support the verification process for each type of payment in order to ensure an adequate audit trail is maintained. When the account verification and certification pursuant to the Spending Authority are continually inadequate or otherwise unsatisfactory, the Spending Authority will be withdrawn.

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- 3.3 Payment Authority Account Verification Process
 - 3.3.1 Every requisition for a payment from an NFN bank account will be in such form, accompanied by such documents and certified.
 - 3.3.2 No requisition will be made for a payment that:
 - a) would not be an appropriate charge against the Department Director's budget;
 - b) would result in an expenditure in excess of the Department Director's budget; or
 - c) would reduce the balance available in the Department Director's budget so that it would not be sufficient to meet the commitments charged against it.
 - 3.3.3 The appendices contain checklists for verifying the Spending and Payment Authorities:
 - a) Appendix F-Spending Authority Checklist; and,
 - b) Appendix G – Payment Authority Checklist.

- 4.0 Review and Evaluation of this Policy
 - 4.1 The Council will review this policy within 5 years of its adoption and decide whether further evaluative work is necessary. A record of the review will be documented in writing and attached to the policy.

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Section 12 Annual Year-End Audits

- 1.0 Objective
 - 1.1 The objective of this policy is to ensure that there is an audit process in place and that the annual audit meets the requirements of the NFN.
- 2.0 The NFN is required to have an annual audit conducted every fiscal year (April 1 to March 31). The annual audit provides assurance to the NFN's membership and the funding agencies that all revenues and expenditures are properly accounted for.
- 3.0 The auditor should be the same for all the entities controlled by the NFN.
- 4.0 The Band Manager will oversee the work of the external auditor, and will establish the Terms of Reference for the annual audit and other projects that may be undertaken.
- 5.0 In order to ensure the NFN continues to receive good auditing services at a fair market price, the NFN will tender auditing services every four (4) years.
- 6.0 By December 31st of the third fiscal year, and upon recommendation from the FAC, the Chief and Council will select an auditor.
- 7.0 The Auditor must be a Certified Professional Accountant.
- 8.0 As part of the tendering process for securing auditor services, a Terms of Reference for the Auditor (see Appendix H) will be adhered to.
- 9.0 Upon Chief and Council's selection of a qualified auditor, a Letter of Engagement will be drawn up and signed by the Chief on behalf of the NFN, and also signed by the Auditor.
- 10.0 It is the responsibility of the Band Manager and/or their Designate to inform the funding sources of the selected auditor as Indigenous and Northern Affairs Canada (INAC) – Band Support Funds.
- 11.0 The audit will commence no later than the second week of May each fiscal year and will be completed and be presented to Chief and Council on or before July 15th for the fiscal year ending the preceding March 31st.
- 12.0 The audit will be reviewed/presented to the FAC for recommendation to the Chief and Council.
- 13.0 The final audit report as prepared by the Auditor will be reviewed, approved and signed by a quorum of the Chief and Council, and recorded in the meeting minutes.
- 14.0 Following Chief and Council approval, the final audit report will be made available for examination by any NFN Member.
- 15.0 The final audit will be included in a report at the annual general meeting.
- 16.0 As part of the annual audit of financial statements, the Auditor shall prepare a Management letter that comments on, and makes recommendations relating to the First Nation's financial management practices and its system of internal controls. At Chief and Council's direction, the

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Band Manager and/or their Designate shall ensure that the recommendations of the auditor are implemented.

17.0 It is the responsibility of the Band Manager and/or their Designate and the appropriate Program Directors to ensure that the audit report and any other relevant financial information are submitted to funding agencies as per contractual obligations.

18.0 Review and Evaluation of this Policy

18.1 The Council will review this policy within 5 years of its adoption and decide whether further evaluative work is necessary. A record of the review will be documented in writing and attached to the policy.

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Section 13 Tangible Capital Assets

- 1.0 Objective
 - 1.1 The objective of this policy is to provide direction for recognizing and recording Tangible Capital Assets (TCAs) on a consistent basis in accordance with Public Sector Accounting Board (PSAB) PS 3150.
- 2.0 This is a requirement from the PSAB recommendations on TCAs (PS 3150).
- 3.0 TCAs include such items as roads, buildings, vehicles, equipment, land, water and other utility systems, aircraft, computer hardware and software, dams, canals, and bridges.
- 4.0 The Director of Finance will maintain a record of assets and their values, on-hand and up-to-date, and provide them to auditors, creditors and the funding agencies with an accurate representation of the NFN's worth.
- 5.0 In the event there are assets missing, a staff member should be assigned to track down and locate the missing item(s). Should any of these items be of significant value as determined by the Band Manager and/or their Designate, a report should be filed and the asset's value recovered under the NFN insurance policy.
- 6.0 Appendix I shows the class of asset, description, residual value, capitalization thresholds and amortization rate.
- 7.0 TCAs are non-financial assets having physical substance that:
 - a) are held for use in the production or supply of goods and services, for rental to others, for administrative purposes, or for the development, construction, maintenance or repair of other TCAs;
 - b) have useful economic lives extending beyond one (1) year;
 - c) are used on a continuing basis; and
 - d) are not for resale in the ordinary course of operations (PS 3150.05).
- 8.0 TCAs are a significant economic resource of First Nations and a key component in the delivery of many First Nations programs (PS 3150.02). The PSAB has issued new standards that come into effect for fiscal years beginning on or after January 1st, 2009.
- 9.0 The objective of the TCA Policy is to prescribe the accounting treatment for TCAs so that users of the financial report can discern information about the investment in TCAs and the changes in such investments.
- 10.0 The principal issues in accounting for TCAs are: the recognition of the assets, determination of their carrying amounts and amortization charges, and the recognition of any related impairment or disposal losses.
- 11.0 Recognition of Tangible Capital Assets
 - 11.1 TCAs are assets having physical substance used on a continuing basis in the NFN's operations, have useful lives extending beyond one year and are not held for resale in the ordinary course of operations.
 - 11.2 TCAs are acquired, constructed or developed assets and have the following

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characteristics:

- a) ownership and control clearly rest with the NFN; and
 - b) the asset is used to achieve government objectives.
- 11.3 The following will help determine whether an asset is a TCA:
- 11.3.1 Include land, buildings, infrastructure assets (roads and water network), vehicles, purchased computer software, in-house developed computer software, computer hardware, tools, furniture, equipment, leasehold improvements, and assets acquired by capital leases or by donations.
 - 11.3.2 Do not include non-operational heritage assets such as museum and gallery collections, other works of art, archives, archaeological sites, ruins, burial sites, monuments and statues.
 - 11.3.3 Do not include intangible assets such as copyrights, trademarks, natural resources and reserve lands that have not been purchase by the NFN.
- 12.0 Recognition of Tangible Capital Assets Carrying Amounts (Cost)
- 12.1 The cost of a TCA includes the purchase price of the asset and other acquisition cost such as:
- a) installation cost;
 - b) design and engineering fees;
 - c) legal fees;
 - d) survey cost;
 - e) land improvements;
 - f) site preparation costs;
 - g) freight charges;
 - h) transportation insurance costs;
 - i) duties; and
 - j) betterments (see below).
- 12.2 The cost of a constructed asset would normally include direct construction or development costs (such as materials and labour) and overhead costs directly attributable to the construction or development activity (PS 3150.10).
- 12.3 TCAs partially funded by the federal or provincial government -capital grants received from federal or provincial governments cannot be netted against the cost of the asset.
- 13.0 Betterment or Repairs and Maintenance
- 13.1 TCAs also include betterments. Betterments are expenditures relating to the alteration or modernization of an asset that appreciably prolong the asset's period of usefulness or improve its functionality.
- 13.2 Most building components/systems have an accepted useful life cycle. The replacement of a component that does not extend the useful life of the building would normally be considered repair and maintenance. If the replacement of a component/system occurs towards the end of the useful life cycle of the building and extends the useful life of the building, then the cost may be classified as betterment. For example, a roof replacement in year 20 of a building with a useful life of 40 years would clearly be repair and maintenance. However, if the roof was replaced near the end of the useful life of the building and extended the life of the building for another 20 years, then the cost of the roof replacement would be a betterment.
- 14.0 Threshold

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- 14.1 Only TCAs that exceed the asset class threshold will be capitalized.
- 14.2 The TCA listing will be reviewed after preparation, and in subsequent years, to determine whether the threshold should be raised (Refer to Appendix I).
- 15.0 Expected Useful Life
- 15.1 Expected useful life is normally the shortest of the asset's physical, technological, commercial and legal life, and is based on its use by the NFN. In determining an asset's useful life, the present condition, intended use, construction type and maintenance policy will be considered, including how long the asset is expected to meet service demands and the NFN's experience with similar assets. Refer to Appendix I for the general useful lives used for NFN TCAs.
- 16.0 Disposal of Assets
- 16.1 When TCAs are taken out of service, destroyed or replaced due to obsolescence, scrapping or dismantling, the Operating Department must notify the Finance Department of the asset description and effective date of the disposal.
- 16.2 Assets will be retired from the accounts of the NFN when the asset is disposed of. The gain or loss on disposal will be calculated as the difference between the proceeds received and the net book value of the TCA. The gain or loss on disposal will be recorded in the accounts of the Operating Department.
- 17.0 Capital Leases
- 17.1 A lease will be recorded as a TCA and an offsetting liability when it meets the test for a capital lease as defined by the PSAB. The PSAB uses a "benefits and risks" approach to assessing if a leased asset should be treated as a capital lease. If the "benefits and risks" of the asset are essentially transferred to the NFN (the lessee) then the lease is a capital lease and the leased asset is a TCA if it exceeds the NFN's threshold.
- 18.0 Write Downs
- 18.1 A write down is used to reflect a permanent partial impairment in the value of an asset. This impairment may be as a result of:
- a) removal of the asset from service;
 - b) physical damage;
 - c) significant technological developments;
 - d) a decline in, or cessation of, the need for the service provided by the asset; or
 - e) a change in the law or environment affecting the asset usage.
- 18.2 If the value of an asset is impaired, the cost of the asset will be written down to reflect the decline in the asset's value and its shorter useful life. This write down is considered a loss(expense) in the accounts of the Operating Department.
- 18.3 The Band Manager and/or their Designate should assign an employee to verify the existence of any missing items contained on the master inventory list. This employee will prepare a list of missing items for the Council.
- 18.4 In the event there are assets missing, a staff member should be assigned to track down and locate the missing item(s). Should any of these items be of significant value, as determined by the Band Manager and/or their Designate, a report should be filed and the asset's value recovered under the NFN insurance policy.
- 19.0 Review and Evaluation of this Policy

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19.1 The Council will review this policy within 5 years of its adoption and decide whether further evaluative work is necessary. A record of the review will be documented in writing and attached to the policy.

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Section 14 Gifts and Donations

- 1.0 Objective
 - 1.1 The objective of this policy is to describe the assistance to, and participation in, charitable campaigns.

- 2.0 Only the Band Manager and/or their Designate can approve a donation. The maximum annual budget for all donations will be set by the Chief and Council when approving the annual budget.

- 3.0 The NFN is a fiscally responsible organization with a responsibility to stakeholders to make sound decisions based on organizational requirements. There is also a responsibility to ensure that NFN employees are not put in uncomfortable situations when asked to make financial contributions.

- 4.0 NFN prohibits external canvassing, soliciting and collecting funds in NFN offices.

- 5.0 Charitable organizations may be permitted to display campaign posters in the main lobbies and on bulletin boards of NFN premises.

- 6.0 The limit for donation is set at \$250.00 per member or \$500.00 per group depending on the availability of funding.
 - 6.1 Donations will come from Band Support Funds unless allowed directly from program-specific funding, or otherwise identified in the approved budget.

- 7.0 Review and Evaluation of this Policy
 - 7.1 The Council will review this policy within 5 years of its adoption and decide whether further evaluative work is necessary. A record of the review will be documented in writing and attached to the policy.

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Section 15 Conferences and Workshops

- 1.0 Objective
 - 1.1 The objective of this policy is to specify the circumstances under which conference and workshop participation may be approved and funded.

- 2.0 NFN policy to approve attendance at conferences and workshops only when participation is pertinent to NFN staff and programs.

- 3.0 Individuals wanting to attend a conference in representation of NFN must fill out and submit a Conference Application Form. In addition to conference details and estimated expenses, individuals must demonstrate how attending the conference would benefit NFN.

- 4.0 A conference is a congress, convention, seminar or formal gathering in one location where the participants discuss, contribute to or are informed about matters of common interest. The following are not conferences in the context of this policy:
 - a) work planning meetings that are program oriented;
 - b) technical advisory committee meetings where the participating employees are directly involved in resolving problems related specifically to work normally assigned to them; or
 - c) training seminars, courses and conferences with a primary purpose of enabling participants to maintain or acquire skills or knowledge to which other policies, including those on education, training and development, apply.

- 5.0 Conference Attendance
 - 5.1 Conference attendance should be directly related to the objectives of NFN and be limited to the minimum number of attendees necessary to meet program objectives. Where feasible, consideration should be given to coordinating participation to ensure that the NFN is not overrepresented at a conference.
 - 5.2 Priority for attendance at conferences should be to:
 - a) act as a guest speaker;
 - b) assist in presenting information;
 - c) participate as a NFN representative; or,
 - d) conferences where travel expenses of participant are covered.
 - 5.3 The closest conference location should be used. When the conference is outside Ontario, Band Manager and/or their Designate approval is required.
 - 5.4 A request for attendance requires approval by the Department Manager.
 - 5.5 Employees must submit an explanation on how attending the conference is in support of meeting NFN objectives and prepare a follow-up report on what was achieved by attending the conference.
 - 5.6 Consideration of conference attendance should normally be part of an employees approved training plan.

- 6.0 Review and Evaluation of this Policy
 - 6.1 The Council will review this policy within 5 years of its adoption and decide whether further evaluative work is necessary. A record of the review will be documented in writing and attached to the policy.

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Section 16 Financial Coding Manual

1.0 Objective

1.1 The objective of this policy is to provide information for multiple uses and stakeholders. The classification of accounts provides the framework to identify, aggregate and report financial transactions for planning, resource allocation, management control and accounting, statistical and evaluation purposes.

2.0 It is NFN policy to use financial coding its financial administration to maintain an appropriate level of consistency and comparability between management accounting data to meet internal requirements, as well as provide accounting data of interest to the Council, external stakeholders and funding agencies.

3.0 Band Manager and/or their Designate

3.1 The Band Manager and/or their Designate is responsible for the management of the Financial Coding Manual. These include assurance that all transactions are coded appropriately and verified by both the Program Directors and the Finance Clerk, and are consistent with the financial system coding structure.

3.2 The Band Manager and/or their Designate will annually review all classification of accounts to ensure that accounts are used effectively.

3.3 The Band Manager and/or their Designate should ensure that all new staff are provided with financial coding training and, on a regular basis, ensure upgrade training is provided when coding is changed or revised.

4.0 Review and Evaluation of this Policy

4.1 The Council will review this policy within 5 years of its adoption and decide whether further evaluative work is necessary. A record of the review will be documented in writing and attached to the policy.

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Section 17 Electronic Authorization

- 1.0 Objective
- 1.1 The objective of the policy is to ensure that electronic business transactions are properly authorized, validated and safeguarded against loss, alteration, duplication, substitution or destruction.
- 2.0 The integrity of electronic business transactions must be maintained at all times. A digital signature must be used to authorize electronic business transactions. The method used to generate the digital signature must employ both special knowledge (e.g. password) and physical possession of an object (e.g., diskette, token or card etc.).
- 3.0 For every system where a digital signature is used, a risk and threat analysis will determine whether a physical object must be used. For existing systems and systems under development, Department Directors are allowed a period of two years, starting from the effective date of this policy, to complete the risk and threat analysis and meet the requirements of the policy.
- 4.0 When physical objects such as fobs, tokens or cards are used, Department Directors must ensure that every object holder is informed of his or her responsibilities and restrictions regarding the use of the objects and agrees to them. Physical objects are to be used as personal access devices that link an object with only one individual.
- 5.0 Electronic authorizations of electronic business transactions must be authenticated. The electronic authentication process must effectively and positively identify the authorizer in such a way that he or she will not be able to credibly deny having authorized a transaction.
- 5.1 There are exceptions to the requirement for an electronic authorization. The following payments may be made by the Finance Department without obtaining an electronic authorization:
- a) Tbaytel;
 - b) Bell Canada;
 - c) Payroll source deductions;
 - d) WSIB premiums; and,
 - e) Any other funds held in Trust.
- 6.0 A complete audit trail of the electronic business transactions, including electronic authorization and authentication, must be maintained. The integrity and confidentiality of the electronic authorization and authentication system and processes must be maintained at all times. When required, the confidentiality of transactions will be ensured by encrypting part or all of the data or transaction.
- 7.0 The Band Manager and/or their Designate must perform a threat and risk assessment to evaluate the potential threats to the electronic business system as well as to the electronic authorization and authentication process, and to determine the level of control required to minimize the risks, commensurate with costs. In addition, the Band Manager and/or their Designate must establish policies and procedures that will ensure that an adequate level of control is maintained on all processes involving the electronic authorization and authentication of business data.

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8.0 Performance Indicators

8.1 The Band Manager and/or their Designate is responsible for the effective and efficient implementation of this policy. Performance indicators should relate primarily to:

- a) effectiveness of the process of authorization and authentication for electronic business transactions;
- b) adequacy of threat and risk assessment reviews to periodically confirm that the level of control is appropriate; and,
- c) efficiency of documentation (e.g., policies, procedures, training material) and systems to ensure effective authorization and authentication of electronic transactions.

9.0 Review and Evaluation of this Policy

9.1 The Council will review this policy within 5 years of its adoption and decide whether further evaluative work is necessary. A record of the review will be documented in writing and attached to the policy.

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Section 18 Loss of Money

- 1.0 Objective
 - 1.1 The objective of the policy is to ensure that appropriate processes are in place in the event of a loss of money.

- 2.0 Money or property may be lost through negligence, lack of controls or criminal acts. Whatever the cause, it is necessary to effectively manage such losses and have an established process for acting quickly to identify, record, report and, when possible, recover losses. In turn, this process supports timely investigations and ensures appropriate actions are taken to minimize potential future losses.

- 3.0 Ensuring that the following is carried out when advised of an incident resulting in a loss of money or property:
 - a) the cost of the loss is calculated as soon as possible and, when the loss is recoverable, a claim against those responsible is prepared;
 - b) all applicable transactions are recorded in the departmental financial management system;
 - c) the loss is reported for inclusion in the Financial Statements;
 - d) ensuring losses of money requiring a disbursement to replenish a fund, like petty cash, and cashier shortages resulting from losses of revenue, are charged to the appropriate Departmental Director's budget; and,
 - e) any amount losses greater than \$250.00 must have an independent investigation done.

- 4.0 Carrying out one or more of the following actions when there is an ongoing problem with cashier shortages:
 - a) recovering shortages from the cashier when negligence is involved;
 - b) ensuring additional training is provided;
 - c) reassigning the cashier to other duties; and
 - d) conducting appropriate disciplinary action as required.

- 5.0 The Band Manager and/or their Designate has the authority to approve the charging of minor losses of money to NFN's appropriate budget. Any charge for losses over \$250 requires Chief and Council approval

- 6.0 Review and Evaluation of this Policy
 - 6.1 The Council will review this policy within 5 years of its adoption and decide whether further evaluative work is necessary. A record of the review will be documented in writing and attached to the policy.

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Section 19 Accounts Receivable

- 1.0 Objective
 - 1.1 The objective of the policy is to ensure that there are appropriate processes in the collection of accounts receivables.

- 2.0 The Band Manager and/or their Designate is responsible to ensure:
 - a) Reconciliation of the Accounts Receivable general ledger and the sub-ledger accounts;
 - b) Accurate aging of the Accounts Receivable general ledger;
 - c) Invoicing of customers, applying payments and reconciling of accounts receivable is done; and,
 - d) Reconciliation of the bank deposits attributable to Accounts Receivables adjusted correctly during each monthly period.

- 3.0 The Band Manager and/or their Designate will present monthly the Aging of Accounts Receivable Report to the FAC and quarterly to the Chief and Council

- 4.0 Each department must submit the details of each billing to the Finance Department, who will prepare and mail the necessary invoices, and establish an appropriate accounting control procedure. The originating department will be advised each month of all overdue accounts.

- 5.0 Collection of Outstanding Accounts Receivable
 - 5.1 When the review of the accounts receivable reveals that any account has been outstanding for more than 30/60/90 days, a form letter will be sent to the debtor. The letter, signed by the Band Manager and/or their Designate, will state that the debtor has fifteen (15) days to respond. If there is no response or an unsatisfactory response is received, as determined by the Band Manager and/or their Designate, in consultation with the appropriate Program Director, the outstanding account will be sent to the collection agency or small claims process for collections.

- 6.0 Write-offs of Debts
 - 6.1 All amounts outstanding for more than a year, at each March 31st, for which due process has been followed, should be written off. Only Chief and Council can authorize the write-off.
 - 6.2 The Band Manager and/or their Designate has the authority to approve the charging of minor losses (\$250.00) of money to the NFN's appropriate budget.
 - 6.3 Writing off employment-related debts, such as accountable advances and overpayments of salaries, wages and employment-related allowances, requires Chief and Council approval. Write-off of any items on the Statement of Assets and Liabilities, principally loans and investments, must be approved by the Chief and Council regardless of the amount involved.

- 7.0 Housing, Utilities or Other Arrears
 - 7.1 The Aging of Accounts Receivable Report will include a separate section on housing; this will be presented monthly to the Chief and Council. Housing, utilities or other arrears accounts receivables will follow the same collection policy as commercial accounts, except that they will not be forwarded to a Credit Bureau for collections.
 - 7.2 Members, who are employees of the First Nation or for any controlled entity, will have their salaries garnisheed for housing, utilities or other arrears accounts that are

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outstanding over 90 days. The standard collection policy will apply to all other Members.

7.2.1 Upon hiring, payroll deduction forms will be prepared authorizing automatic deductions for:

7.2.1.1 Advances;

7.2.1.2 Utility bills; and

7.2.1.3 Other incurred debts.

7.3 Any remuneration to be received by a Member with an outstanding housing, utilities or other arrears accounts will be applied against the outstanding amount before being distributed to the Member.

8.0 Review and Evaluation of this Policy

8.1 The Council will review this policy within 5 years of its adoption and decide whether further evaluative work is necessary. A record of the review will be documented in writing and attached to the policy.

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Section 20 Claims Against NFN

- 1.0 Objective
- 1.1 The objective of the policy is to ensure the efficient and effective resolution of claims by and against NFN.
- 2.0 It is NFN policy to provide for adequate and timely settlement and payment of claims by or against NFN and its employees. The Band Manager and/or their Designate has the authority to resolve claims by and against NFN when requirements of this policy are met. The Band Manager and/or their Designate has the authority to:
- a) Accept amounts in settlement of claims by NFN;
 - b) Recover from employees any amounts owing to NFN by employees; and,
 - c) Pay amounts in settlement of liability claims against NFN.
- 3.0 As soon as the NFN becomes aware of an incident, which could lead to a claim by or against the NFN or against an employee, it will conduct an investigation of the incident at the earliest reasonable opportunity. While keeping the level of investigation commensurate with the amounts involved, NFN will obtain, as appropriate:
- a) a full statement of the duties of any servant involved;
 - b) where property is involved, detailed information relating to its use and the authority for such use;
 - c) statements from employees and other persons having any knowledge of the circumstances;
 - d) copies of any reports made to the police in connection with the incident;
 - e) a description of the incident and such plans, sketches or photographs as may be necessary to understand the exact nature of the incident;
 - f) any further information and material as may be required for a legal opinion;
 - g) if required, the assistance of the local police authorities; and,
 - h) the assistance of private sector claims adjustment services or collection agencies.
- 4.0 Except as may be limited by this policy, the NFN must refer all claims involving legal proceedings to the NFN lawyers.
- 5.0 Damage of Employees' Effects
- Where NFN accepts or is proven to be responsible, claims for employees' effects that are damaged, lost, stolen or destroyed will be paid as a liability of NFN or *ex gratia*, and the following additional criteria will apply:
- 5.1 Compensation will be based on the full cost to replace the effects with effects of the same or equivalent quality, or the reasonable cost to repair them, whichever is the most appropriate.
- 5.2 Employees' effects include only those items, which the Band Manager and/or their Designate considers to be reasonably related to the performance of an employee's duties at the time of the loss or damage
- 6.0 Releases
- 6.1 In consideration of payment to settle a liability claim, a release should be obtained except where it would not be administratively expedient. The release will be in as directed in the legal opinion. For *ex gratia* payments, a release is not normally required.
- 7.0 Recovery from Employees

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- 7.1 Where the NFN has a claim against an employee for which the employee is not indemnified under the Indemnification Policy, and the Band Manager and/or their Designate intends to authorize retaining the amount of the claim by deduction from, or set-off against, any money that may be due or payable by the NFN to the employee, the Band Manager shall:
- a) notify the employee of the proposed retention and of the employee's right to make representation within 30 days; and,
 - b) consider the employee's representation, before making a final decision.

8.0 Review and Evaluation of this Policy

- 8.1 The Council will review this policy within 5 years of its adoption and decide whether further evaluative work is necessary. A record of the review will be documented in writing and attached to the policy.

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Section 21 Hospitality and Entertainment

- 1.0 Objective
 - 1.1 The objective of the policy is to ensure that economy and consistency in offering hospitality are maintained, and to extend hospitality in an economical, consistent and appropriate way when it will facilitate business or is considered desirable as a matter of courtesy.

- 2.0 It is the NFN's policy to extend hospitality in an economical, consistent and appropriate way when it will facilitate NFN business or is considered desirable as a matter of courtesy.

- 3.0 Forms of Hospitality
 - 3.1 Hospitality normally consists of:
 - a) breakfast, lunch or dinner reception refreshments, or serving beverages (with or without food).

 - 3.2 Official hospitality may exceptionally consist of:
 - a) tickets to theatre or sporting events;
 - b) tours of the area or other places of interest;
 - c) local transportation to and from the function;
 - d) room rental; and,
 - e) incidentals such as flowers.

 - 3.3 Refreshments refer to beverages and light snacks.

- 4.0 For NFN employees, the following limitations in regards to hospitality must be respected:
 - 4.1 Hospitality such as beverages, meals, tours or other entertainment is only to be provided to employees who have been identified by prior approval to act as hosts to guests of NFN. Employees of NFN are not considered to be guests.
 - 4.2 Non-alcoholic beverages may be offered to employees required to work through "breaks" (otherwise called "coffee breaks"), when justified by management. Such hospitality should be restricted to occasions of a formal nature where the dispersal of participants during a break period is not desirable. Managerial discretion and due regard for economy should be used in identifying such occasions and in ensuring that hospitality is not offered routinely during meetings of close colleagues working together on a regular basis.
 - 4.2.1 As a dry Reserve, NFN enforces a strict no-alcohol policy on all travel expenses.
 - 4.3 Refreshments, meals or both may be offered to employees who participate in work sessions extending over meal hours or beyond normal working hours.
 - 4.4 Hospitality may be extended on behalf of NFN employees who participate in meetings to plan program-oriented work, in technical advisory committee meetings or in conferences.

- 5.0 Other Persons/Events
 - 5.1 Expenses such as travel, theatre tickets or tours may be paid only when the Band Manager has authorized them.
 - 5.2 Alcoholic beverages with or without food will not be paid for by NFN.

- 6.0 Hospitality may be extended on behalf of the NFN on the following occasions:

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- 6.1 Discussions on official matters with persons who are not NFN employees, including interviews with persons who are being considered for recruitment into NFN, members of other governments, industry, public interest groups, unions, seminars or during special events such as public openings.
 - 6.2 The NFN sponsors formal conferences.
 - 6.3 The NFN honours a distinguished individual in recognition of exceptional service to the NFN.
 - 6.4 A person who is not a NFN employee renders a service without remuneration.
 - 6.5 A prestigious ceremony (e.g., sod breaking, laying of a cornerstone, inauguration or opening of a capital project) takes place.
- 7.0 Exceptions
- 7.1 Functions that are exceptions to the policy outlined above must have their prior approval of the Chief and Council.
- 8.0 Review and Evaluation of this Policy
- 8.1 The Council will review this policy within 5 years of its adoption and decide whether further evaluative work is necessary. A record of the review will be documented in writing and attached to the policy.

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Section 22 Membership and Professional Association Dues

- 1.0 Objective
 - 1.1 The objective of the policy is to specify the circumstances under which membership and registration fees may be reimbursed.

- 2.0 It is NFN policy to pay membership fees only when NFN memberships in a particular organization are in direct support of NFN programs, or when membership is a requirement for individual employees to carry out the functions of their positions.

- 3.0 Job Requirements
 - 3.1 Memberships that are a requirement of a position require the approval of the Band Manager and/or their Designate. Membership will be payable when it is a requirement of the position to hold the membership.

- 4.0 Corporate Memberships
 - 4.1 The Band Manager and/or their Designate may approve corporate memberships up to \$700 in the following circumstances:
 - 4.1.1 Where the receipt of specialized information relates directly to NFN programs, such memberships should be held in the name of NFN.
 - 4.1.2 Where the membership cannot be held in the name of the NFN, or an NFN position, and must be held in the name of an employee, it should be clear in such cases that the resulting benefits and publications accrue to the NFN.
 - 4.1.3 Where memberships in organizations provide an opportunity for NFN contact with that segment of the public most concerned with the NFN's operations, such as a Chamber of Commerce, if possible such memberships will be obtained in the name of NFN.
 - 4.2 Memberships in organizations that are primarily social, recreational or fraternal are highly exceptional and therefore require the approval of the Council.

- 5.0 Review and Evaluation of this Policy
 - 5.1 The Council will review this policy within 5 years of its adoption and decide whether further evaluative work is necessary. A record of the review will be recorded in writing and attached to the policy.

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Section 23 Contracts and Tendering

- 1.0 Objective
 - 1.1 The objective of the policy is to ensure that goods and services are acquired in a manner that enhances access, competition and fairness, and results in best value for the NFN.

- 2.0 Occasionally, NFN may require the services of contractors. Entering into a contract for the provision of any type of service with a contractor is considered a commitment to spend NFN funds. This contracts and tenders section is related to purchasing policies and procedures stated in Section 6 to ensure the availability of funds prior to signing of contract.

- 3.0 Services to be performed under any agreement or contract will not commence, and payment for such services will not be made until an agreement/contract or letter of commit is executed in accordance with this policy and all requirements are met.

- 4.0 It is the responsibility of the appropriate Program Director and/or Executive Director to ensure that there is an approved budget in place. Furthermore, the Program Director and/or Executive Director will consult with the Director of Finance to certify that funds are available prior to the signing of the contract/agreement. Payment conditions specified in the contract/agreement must adhere to the NFN cheque-processing schedule. It is the responsibility of the Program Director and/or Band Manager and/or their Designate to monitor the processing of payments in accordance with the terms and conditions of the contract.

- 5.0 This section will not apply to the tendering of auditing services, general maintenance required by Nibinamik Power Authority or those goods and services purchased with external government funding that dictates a specific tendering process that must be adhered to as a condition of receiving the funding.

- 6.0 Contracts
 - 6.1 For contracts of less than twenty-five thousand dollars (\$25,000), the Chief and Council reserve the right to authorize the Band Manager and/or their Designate, to negotiate and recommend a specific contract on a sole source basis.
 - 6.2 For independent contractors, a day rate is equivalent to eight (8) hours.
 - 6.3 Contracts over \$100,000 should be considered for Legal Counsel review.

- 7.0 Where a contract for goods or services rendered to the NFN is expected to exceed \$25,000, the tendering process will be:
 - a) tenders by way of invitation only shall be requested from a minimum of three (3) firms and/or individuals; or
 - b) tenders may be publicly advertised in local and/or regional postings or newspaper(s) for a period of not less than five (5) business days; or
 - c) a combination of invitation and public posting for sealed tenders will require a minimum of three (3) bids.

- 8.0 Tender, quote invitations or advertisements will indicate the following:
 - a) the date and hour of closing;
 - b) sufficient details from which comparable bids can be made;
 - c) the date, hour and place sealed tenders will be opened;

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- d) the name of the person to be contacted for information;
 - e) where applicable, bidders will be required to provide a ten percent (10%) security deposit as a financial guarantee that they will honour their submitted tender price and abide by all bidding requirements; failure to meet this condition will result in the forfeit for the said bid security, which will be submitted in the form of a certified cheque, bank draft, bid bond or irrevocable and unconditional letter of credit;
 - f) the tender or advertisement must indicate that the NFN reserves the right not to necessarily accept any bid; and,
 - g) The tender or advertisement must also indicate that tenders or quotes will not be accepted after the closing deadline.
- 9.0 Tender, quote invitations or advertisements for construction projects will indicate the following:
- a) tender instructions as per section 23, point 11;
 - b) tender document (as appropriate by department and funding source) and NFN contract (Appendix J);
 - c) general conditions;
 - d) insurance schedule;
 - e) contractor statement of qualifications;
 - f) proof of Workers' Safety and Insurance Board (WSIB) coverage, if applicable; and,
 - g) statement of work plan and specifications.
- 10.0 Once tendering, quote invitations or advertisements begins, the following documentation should be made available for interested contractors:
- a) a letter of invitation;
 - b) a statement of work required;
 - c) the proposal evaluation criteria; and,
 - d) a contract agreement (includes general conditions and terms of payment).
- 11.0 Upon receipt of a tender, the time and date of receipt will be recorded and initialed at Central Registry on the tender envelope and turned over to the Band Manager and/or their Designate, or appropriate Program Director.
- 12.0 Received sealed tenders and proposals will be:
- a) Opened by a minimum of two (2) persons designated by the Band Manager and/or their Designate at the date, hour and place specified, and all tenders read at a meeting called for that purpose;
 - b) Reviewed against an evaluation criteria list by the two designated persons; and,
 - c) Presented to the respective program committee by the two designated persons; the committee will recommend the award of the contract to Chief and Council for their approval.
- 13.0 A withdrawal of a tender may be as follows:
- a) A bidder may withdraw the tender up to the advertised tender closing time;
 - b) Withdrawals must be done in writing; facsimiles are acceptable; and,
 - c) Withdrawal of a tender does not disqualify a bidder from resubmitting another bid for the same tender, provided the bidder resubmits prior to the specified tender closing time.
- 14.0 The NFN will not consider a tender that does not fully meet the conditions identified in the

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tendering instructions to bidders.

- 15.0 The acceptance of a tender shall be as follows:
 - 15.1 A maximum of sixty (60) days are allowed between the date tenders are opened and the date the tender is awarded, cancelled or recalled.
 - 15.2 Following the awarding of a tender, the Band Manager or appropriate Program Director will notify the successful bidder, in writing, that the bid has been accepted and outline the conditions thereto.
 - 15.3 The lowest, highest or any tender will not necessarily be accepted.

- 16.0 Any contract drawn and signed between the NFN and a contractor must clearly state all requirements of the contract in detail. The contract should contain a provision for the NFN to hold back a minimum of ten percent (10%) of the contract amount subject to the contractor complying with all contract deliverables. The successful bidder's security will be returned once the contract, in duplicate, is signed. Services to be performed under any agreement or contract will not commence, and payment for such services will not be made until an agreement/ contract is executed in accordance with this policy and all requirements are met.

- 17.0 Should the NFN not have the resources or expertise to execute any part of the procedures stated in this section, the NFN reserves the right to hire outside experts, such as consultants or engineers to execute these procedures on their behalf.

- 18.0 All original contracts accepted and signed by the NFN must be forwarded to the Band Manager and/or their Designate. It is the responsibility of the Band Manager and/or their Designate to maintain a filing system of all contracts, and to distribute copies to the appropriate Program Director and/or Band Manager and/or their Designate, and the Finance Clerk. If required, it is the responsibility of the appropriate Program Director or Band Manager and/or their Designate to submit a copy of the contract/agreement to the Funding Agency.

- 19.0 Under extenuating circumstances, in consultation with the Band Manager and/or their Designate the appropriate Program Director, Chief and Council can negotiate and enter into a specific contract/agreement on a sole-source basis. Favorable consideration shall be extended to NFN Members or local suppliers so long as acceptable quality of service is reasonably expected.

- 20.0 Review and Evaluation of this Policy
 - 20.1 The Council will review this policy within 5 years of its adoption and decide whether further evaluative work is necessary. A record of the review will be recorded in writing and attached to the policy.

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Section 24 Honourarium, Reimbursement for Loss of Wages, Other

- 1.0 Objective
 - 1.1 The objective of the policy is to ensure fair and consistent payment of honoraria to unpaid participants invited to attend consultation meetings to provide advice and/or comment on NFN initiative.
- 2.0 It is the NFN's policy that honoraria are used in an open and transparent manner in the support of its programs. Honoraria must only be used as detailed in this policy. For other services, the appropriate instruments should be used (e.g., contracts). This section defines the types of activities, eligibility and process for which the payment or receipt of honorarium and reimbursement of loss of wages is determined.
- 3.0 The NFN shall pay honorarium, acting pay and loss of wages to Councilors, appointed committee members or other individuals representing the NFN.
- 4.0 No employee is entitled to receive an honorarium from the NFN, as an honourarium is a payment made to a person for their services in a volunteer capacity or for services for which fees are not traditionally required.
- 5.0 By virtue of their elected or employment position with NFN, the Chief and persons employed with NFN are not permitted to retain any honorarium, per diem or any compensation offered by persons, groups or organizations having dealings with NFN. The association with these persons, groups or organizations has already been factored into the compensation paid by NFN to the Chief and employees.
- 6.0 Any honorarium, per diem or compensation received by the Chief or employees, while representing NFN, will be retained by or endorsed to NFN. The appropriate program will receive the honorarium, per diem or compensation.
- 7.0 Any compensation received by a third party not returned to NFN will be viewed as fraudulent activity and subject to disciplinary action, as per the Human Resources policy or Conflict of Interest guideline.
- 8.0 Any compensation received by a third party not returned to NFN will be viewed as fraudulent activity and subject to disciplinary action, as per Human Resources policy or Conflict of Interest guideline. Allowable rates for payment of honorarium are as follows:
 - 8.1 <Insert Honourarium rates paid in NFN>
- 9.0 The procedure and processing of honourarium payments shall be as follows:
 - 9.1 Upon completion of each Council or committee meeting, the Recording Secretary must forward the attendance form to the Finance Clerk, or designate, for verification of attendance.
 - 9.2 At each month end the Finance Clerk, or designate, will complete an Honourarium Payment for Council and Committee Meetings form (Appendix K) for each individual to receive an honourarium. The date, meeting or acting description, account code and total amount to be paid will be completed on each form.
 - 9.3 The Finance Clerk, or designate, will forward the completed Honourarium Payment form to the Director of Finance, or designate, for signature approval.

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- 9.4 Upon approval, the Finance Clerk, will process the cheque payment, record the cheque number and date on the Honourarium Payment form, and distribute it for mailing.
- 10.0 The procedure and processing of honourariums for travel per day is as follows:
 - 10.1 In accordance with travel policies (Section 7 points 4, 5 and 6), the per diem for travel per day will be requested on the Travel Authority/Advance form (see Appendix D) from the time of departure to the time of returning.
 - 10.2 The normal procedures as described in Section 27 will be followed to process the payment.
 - 10.3 The Band Manager and/or their Designate or appropriate Program Director will authorize approval of the per diem for travel per day.
 - 10.4 Receipts are not required for per diem travel per day payments.
- 11.0 The procedure and processing of reimbursement for loss of wages will be as follows:
 - 11.1 The individual incurring the loss of wages must provide a letter from his/her employer stating the exact amount of lost wages incurred due to his/her attendance at a meeting or representation on behalf of NFN.
 - 11.2 To ensure that the appropriate personnel are aware of the reimbursement for loss of wages claim, the individual will forward the letter and/or documents to the Band Manager and/or their Designate or appropriate Program Director.
 - 11.3 The letter and/or supporting documents will be forwarded to the Finance Clerk, or designate, for processing.
 - 11.4 The payment will be made on the next regular local cheque run. The expense will be coded to the Council honourarium or honourarium budget of the related program.
- 12.0 All proposed honourarium increases will be discussed and approved at a general membership meeting.
- 13.0 All honorarium and loss of wages payments are subject to collection on outstanding accounts (i.e., rent, utilities, water, other) with NFN, should the Councilor or committee member owe monies to the NFN in excess of thirty (30) days.
- 14.0 If more than one honourarium is due to be paid to an individual for one day, a daily maximum payment of \$400 shall be enforced.
- 15.0 Review and Evaluation of this Policy
 - 15.1 The Council will review this policy within 5 years of its adoption and decide whether further evaluative work is necessary. A record of the review will be recorded in writing and attached to the policy.

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Section 25 Receipt and Deposit

- 1.0 Objective
 - 1.1 The objective of the policy is to ensure that all receipts of money are accurately accounted.

- 2.0 In order to maintain proper accounting records, it is critical that all receipts of money, including electronic deposits, are accurately accounted for and adequately controlled to prevent or reduce error, fraud or omission.
 - 2.1 To ensure that banking processes are used effectively and properly controlled, the NFN will use the payment and deposit facilities only of the Royal Bank of Canada.
 - 2.2 Only the Council may establish NFN bank accounts with financial institutions.
 - 2.3 Signing officers never sign cheques payable to themselves. Cheques must never be made payable to "Cash."
 - 2.4 Cheques will not be signed in advance (blank cheques).
 - 2.5 Cheque runs – Payroll will be bi-weekly and operational cheque runs will be prepared weekly. Emergency cheques should only be approved on an exceptional basis and must be approved by the Band Manager and/or their Designate.

- 3.0 NFN staff required or appointed to handle cash and cheques may be bonded. Proper insurance coverage will be obtained and internal security controls taken. All policies and procedures contained in this section are in accordance with generally accepted accounting principles.

- 4.0 All cheques received for deposit will immediately be endorsed immediately on the reverse side with an endorsement stamp "For Deposit Only". Cheque endorsements are to be made by the Finance Clerk, or designate.

- 5.0 All cheques, cash and other transactions received will be recorded by the Finance Clerk, or designate, on a pre-numbered triplicate receipt in the Cash Receipts Journal. The Finance Clerk, or designate, will keep a copy of all cheques with a copy of the deposit slip on file.

- 6.0 The following entries will be made for each receipt:
 - a) date of the cheque, cash or other transaction was received;
 - b) name of the payer;
 - c) amount of the cheque, cash or other transaction received;
 - d) signature of the Finance Clerk, or designate, to verify the entry; and,
 - e) purpose of the payment.

Under no circumstances are adjustments to be made to entries in the Cash Receipts Journal.

- 7.0 The original copy of the receipt will be provided to the payee or retained on file.

- 8.0 The triplicate copy of the receipt will be retained on file as a permanent record.

- 9.0 All receipts, including the spoiled ones, must be accounted for.

- 10.0 The Finance Clerk, or designate, will ensure all cheques, cash and debit transactions received by the NFN are stored safely in a locked drawer or in the safe until they are deposited into

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- the NFN bank account.
- 11.0 The safe will be kept locked except when in use. The Band Manager and/or their Designate and the Finance Clerk will have the combination to the safe.
- 12.0 The Finance Clerk, or designate, will deposit all funds received into the NFN bank account.
- 13.0 Any funds received by the NFN on behalf of an individual/organization will be deposited to the NFN general account. Any payments due to the individual/organization will be processed through the appropriate disbursement records.
- 14.0 Funds held in trust by the NFN will be deposited into a separate Trust Account specifically designated for that purpose.
- 15.0 Deposit slips will be prepared in triplicate for each deposit. NFN funds will be deposited into the NFN bank account as soon as practically possible and on the last business day of each month.
- 16.0 Each deposit slip should contain the following information:
- a) account number;
 - b) name of account;
 - c) listing of cheques showing remitter and amounts to be deposited;
 - d) listing of currency and coin (if applicable); and,
 - e) listing of total cheques, total cash and the total amount to be deposited into the account.
- 17.0 The Finance Clerk, or designate, will verify all items listed and totals shown before signing his or her name on each deposit slip. It is the responsibility of the Finance Clerk to ensure deposits are made on the date shown on the deposit slips.
- 18.0 The Finance Clerk, or designate, will assist in reconciling all deposits contained in month-end bank statements received from the financial institution. Deposits listed on each bank statement will be reconciled with the Cash Receipts Journal.
- 19.0 The NFN will impose a service charge of \$45.00 for any cheques returned by the bank for "Non-Sufficient Funds" (NSF). The NFN reserves the right to refuse personal cheques from this individual. The Band Manager and/or their Designate, will inform the individual of the NSF cheque and charge.
- 20.0 The Director of Finance is responsible for the following:
- 20.1 Ensure that all receipts (cheques, cash, etc.) are deposited to the NFN operating bank account as soon as practically possible.
 - 20.2 All mail or other delivered cheques and cash must be recorded and stamped to the deposit of the NFN by the Finance Clerk, who will prepare a cash register, initial the register and sign the receipt.
 - 20.3 Ensure there is a complete audit trail of the receipt recording process. The audit trail must permit the tracing of any transaction from its inception to the final outcome and from the accounting records back to the original transaction.
 - 20.4 Undertake periodic reviews and audits of recording of receipts of money to ensure the process is operated in accordance with this policy.

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- 20.5 Separating the duties of employees who deal with receipts of money. A complete separation of duties is ideal; however, depending on the organizational structure, availability of staff, materiality, alternative controls and other pertinent conditions, departments must, at the very least, combine duties judiciously for functions related to granting credit, maintaining accounting records and handling and reconciling cash.
 - 20.6 Ensure employees do not control any one function continuously for an extended period of time. Mandatory annual leave and job rotation can reveal any undesirable practices.
 - 20.7 Must design control accounts, which summarize and provide a total of all related individual receipts of money, to ensure the integrity and reliability of the individual accounts.
- 21.0 Review and Evaluation of this Policy
- 21.1 The Council will review this policy within 5 years of its adoption and decide whether further evaluative work is necessary. A record of the review will be recorded in writing and attached to the policy.

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Section 26 Travel Management v.1

- 1.0 Objective
 - 1.1 The objective of the policy is to ensure fair treatment of employees and others required to travel on NFN business, consistent with the principles below. The policy relates to all employees regardless of program funder or their internal departmental policies or budgeting process.
- 2.0 The provisions contained in this directive are mandatory and provide for the reimbursement of reasonable expenses necessarily incurred while traveling on NFN business, and to ensure employees are not out of pocket.
- 3.0 This policy applies to all NFN employees, contractors and others who travel on behalf of the NFN and where the NFN pays for the travel costs.
- 4.0 Where travel is paid by a third party, payment by the third party will be to the NFN. The traveler will then be reimbursed at the rates and according to the policies of the NFN.
- 5.0 This section establishes the rules and procedures for travel authorization, arrangements and financial accountability for NFN staff, or those designated to travel on behalf of the NFN.
 - 5.1 Each department/program will have a coded expense account established and designated for travel purposes. Funds for travel will be incorporated into program budgets in accordance with Section 4.
 - 5.2 The Band Manager and/or their Designate, appropriate Director, or designate, can authorize travel for staff or individuals traveling on behalf of the NFN. Such authorization shall be contingent upon:
 - a) travel costs being within the purchase authority limits;
 - b) availability of funds in the designated travel expense account;
 - c) travel being necessary for achieving the program's objectives; and
 - d) the Band Manager having final authorization should the purpose of the travel be in question.
- 6.0 Travel
 - 6.1 All travel arrangements for public transportation (e.g. air, car, van, train, bus, etc.) will be made by a Finance Administrator through the use of a Travel Authorization Form (Appendix D) and approved by the Band Manager and/or their Designate.
 - 6.2 Prior to traveling, each employee is required to fill out a Travel Authorization Form or a Travel Advance Requisition Form estimating all expenses (except public transportation).
 - 6.3 Authorization and advance requisitions for travel of NFN business up to a maximum of \$500 must be approved by the Finance Administrator. Travel advances in excess of \$500 must be approved by the Band Manager and/or their Designate and anything over \$5,000 must be approved by Chief and Council.
 - 6.4 Car rentals will be reviewed and approved by the Band Manager and/or their Designate and must be requested through a Travel Authorization Form. Only economy cars will be authorized. Full insurance must be purchased. NFN will not be responsible for any traffic violations or parking tickets.
 - 6.5 When travel arrangements are changed, it is the responsibility of each employee to advise the immediate supervisor or Band Manager and/or their Designate, so the changes can be made when necessary.

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- 6.6 Hotel reservations are the responsibility of the individual employee.
 - 6.6.1 It is up to the employee to advise the hotel if, for some reason, they will be a no show prior to the deadline time for their room reservation.
- 6.7 At the end of each trip, employees are required to fill out a Travel Expense Claim Form. Travel Claims must be approved by their immediate supervisor before going to the Finance Department. The Band Manager and/or their Designate will make final approval.
- 6.8 Travel Expense Claim Form must be submitted prior to any further requests for Travel Advances and must be submitted the within the first week of the employee's return to work.
- 6.9 NFN will reimburse the employee for reasonable out-of-pocket expenses. Any monies owing to NFN will be repaid by means of arranging deductions from payroll cheques, as per Section 19.
- 6.10 All expenses will require a receipt. Any expenses without a receipt will not be reimbursed by NFN; therefore, it is the responsibility of the employee to ensure that receipts are available.
- 6.11 Any charges made to NFN for any reason that does not related to First Nation business, if not repaid immediately, may be deducted from the employee's next payroll cheque, as per Section 19.
- 6.12 Per diem rates are as follows:
 - 6.12.1 Breakfast - \$22.00
 - 6.12.2 Lunch - \$22.00
 - 6.12.3 Supper - \$37.00
 - 6.12.4 Incidentals - \$17.50
- 6.13 Private accommodations (other than hotel/motel) rate is \$13.50 per night with receipt and incidentals are \$4.00.
- 7.0 Mileage
 - 7.1 When employees are requested by the employer to use a private vehicle, they will reimbursed at the rate of \$0.65 per kilometer.
 - 7.2 When employees are using a vehicle owned by NFN, they will be given gas money and any other necessary coverage.
 - 7.2.1 Prior to any NFN employee utilizing a Band-owned vehicle, authorization must be granted by the Band Manager and/or their Designate.
- 8.0 The Band Manager and/or their Designate shall review and set rates for meal allowances and mileage rates for each new fiscal year, if applicable. Recommended changes will be written and approved by the FAC.
- 9.0 Review and Evaluation of this Policy
 - 9.1 The Council will review this policy within 5 years of its adoption and decide whether further evaluative work is necessary. A record of the review will be recorded in writing and attached to the policy.

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Section 27 Loans

- 1.0 Objective
 - 1.1 The objective of the policy is to describe the position of NFN in regards to loans and loans guarantees.

- 2.0 The NFN does not provide loans or loan guarantees to either employees or any other individuals or businesses. In special circumstances, where loans or loan guarantees are required because of a NFN economic development project or mortgage guarantees, such loans or loan guarantees must be approved by Council.

- 3.0 The NFN accepts the mandate and commitment to support crisis or emergency situations to all Members based on detailed information submitted to the NFN Chief and Council and/or Band Manager and/or designate. Members may be granted an advance based on obtaining prior approval and following the guidelines described below. Advances can be loans, upfront monies, early payments, requests for financial assistance or borrowing funds from NFN. Use of NFN Purchase Order is considered an advance.
 - 3.1 The NFN will only approve a maximum of 65 percent of the bi-weekly payroll net amount plus a 15 percent administration fee for a total of 80 percent of the bi-weekly payroll net amount. Only those Members that agree to the 15 percent administration fee will be granted an advance. The 15 percent administration fee is broken down into the following components: 8 percent chequing or administration fee; and, 7 percent emergency or crisis fund contribution.
 - 3.1.1 The NFN Administration Department will keep a record of those advances and, if a Member owes the NFN from a previous or an outstanding advance that has not been repaid, further advances will not be approved.

 - 3.2 The maximum amount to be advanced to a Member during a calendar year will be 10 percent of their net salary. This is applicable only to those Members who are employed full time with the NFN. For seasonal or temporary employees, the limit for annual advanced amount will be 50 percent of their previous bi-weekly payroll net amount.

 - 3.3 Advances will not be authorized in the last three weeks of scheduled employment.

- 4.0 Review and Evaluation of this Policy
 - 4.1 The Council will review this policy within 5 years of its adoption and decide whether further evaluative work is necessary. A record of the review will be recorded in writing and attached to the policy.

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Section 28 Cash and Strategic Investment Management

- 1.0 Objective
 - 1.1 The objective of the policy is to describe how cash is to be invested.

- 2.0 The NFN will only invest in securities of/or guaranteed by the Government of Canada. Investments with a potential loss of initial capital (stocks, mutual funds, etc.) will not be considered. All investments will be managed in accordance with accepted financial management practices.

- 3.0 The objective of this policy is to provide a plan or strategy comprising reasonable assessments of risk and return.

- 4.0 When investing: Only an investment "Advisor" licensed in the Province of Ontario will be used. Disproportionate or extreme positions that might cause significant real loss of value given adverse developments shall be avoided.

- 5.0 Since NFN resources are management by Chief and Council on behalf of and in trust for the membership, only those investments that guarantee the original equity will be purchased.

- 6.0 The investment portfolio will be reviewed monthly by the FAC and presented quarterly to Council.

- 7.0 Money or financial assets in a trust account must not be used for a purpose other than that permitted under the terms of the trust.

- 8.0 The following factors should be considered by NFN and the Investment Advisor:
 - a) general economic conditions;
 - b) the possible effects of inflation or deflation;
 - c) the role that each investment or course of action plays within the overall portfolio (Modern Portfolio Theory);
 - d) the expected total return from income and appreciation of capital;
 - e) needs for liquidity, regularity of income and preservation or appreciation of capital; and
 - f) the need to diversify the investment of the NFN to fit the requirements of the NFN, and the general economic and investment market conditions.

- 9.0 Care must be taken to ensure the Conflict of Interest Policy is adhered to in managing the Investment Portfolio.

- 10.0 The economic development department will address joint venture capital projects.

- 11.0 Review and Evaluation of this Policy
 - 11.1 The Council will review this policy within 5 years of its adoption and decide whether further evaluative work is necessary. A record of the review will be recorded in writing and attached to the policy.

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Section 29 Payroll

- 1.0 Objective
 - 1.1 The objective of the policy is to describe the roles and responsibilities of the Director of Finance and the Director of Human Resources in payroll management.
- 2.0 The Director of Human Resources or designate will be responsible for maintenance and safe keeping of the confidential NFN payroll records.
- 3.0 An annual salary grid will be established for each employment position. The salary grid will be approved by Council, and will contain the position, job title and wage rate or annual salary.
- 4.0 Salary adjustments (raises) are to be incorporated into the annual budget planning process by each Director responsible for the program. A salary review will occur before the annual budget formulation, with any approved salary adjustments taking effect each year on the anniversary of the employee. Any salary adjustments will be determined based on funding availability, increases/decreases to a position's workload, performance evaluations and annual inflation rates.
- 5.0 Additions to Payroll
 - 5.1 The Band Manager will approve all employee additions (permanent, temporary, full- time or part-time).
- 6.0 Salary Administration
 - 6.1 The NFN will maintain a salary administration program, with salary ranges established for each position in accordance with the **NFN Human Resources Manual**.
 - 6.2 Employees may be eligible for salary increases based on the results of employee performance reviews and the **NFN Performance Management Policy**.
 - 6.3 The Council will approve all changes in the salary grids. The Council will approve any change to the Band Manager's salary.
- 7.0 Regulatory Compliance
 - 7.1 The NFN will adhere to the guidelines and rules established by the Canada Customs and Revenue Agency with respect to:
 - a) deductions for income tax (and eligibility for tax exempt status);
 - b) employer and employee Canada Pension Plan and employment insurance contributions;
 - c) definition of contractor versus employee; and
 - d) preparation and retention of appropriate forms (e.g.,TD1,T4).
 - 7.2 The NFN will also comply with the regulations and procedures established by the Workers' Compensation Board (WSIB).
- 8.0 Internal Controls
 - 8.1 The Band Manager and/or Designate will approve all changes to payroll records after the relevant authorities have been exercised for any payroll changes.
 - 8.2 Overtime payments will only be made in accordance with the **NFN Human Resources Policy**.
 - 8.3 The Director of Human Resources will maintain payroll records, including vacation, sick leave and other payroll benefits.

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- 8.4 The Director of Human Resources will review and sign the payroll register/statement generated for each automated payroll deposit.
 - 8.5 The Band Manager and/or their Designate will sign and process the EFT for payment.
- 9.0 Review and Evaluation of this Policy
- 9.1 The Council will review this policy within 5 years of its adoption and decide whether further evaluative work is necessary. A record of the review will be recorded in writing and attached to the policy.

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Section 30 Financial Statements

- 1.0 Objective
 - 1.1 The objective of the policy is to describe how and at what frequency financial reports are to be presented.

- 2.0 Financial reports are the documents and records prepared to track and review the financial situation of all the entities controlled by the NFN Chief and Council. The purpose of financial reporting is to deliver this information to the Council, Members and funding agencies. The Band Manager and/or their Designate will present monthly financial statements to the Chief and Council on the financial situation of the NFN. Knowledge of current financial position is essential for management decisions in relation to planning future expenditures. Monthly financial statements are the primary source of information on which planning future expenditures is based.

- 3.0 Monthly financial statements will be prepared for FAC and should include a Balance Sheet, Consolidated Statement of Revenue and Expenditures summarized by department, and detailed statements of revenue and expenditures for each department showing year to date budget and variance from budget. Completed financial statements will include preparation of accompanying supporting documents such as the bank reconciliation, schedule of advances and loans receivable, schedule of accounts payable.

- 4.0 Quarterly financial statements will be reviewed by Council and formally adopted through a motion, with the corresponding motion appearing in the meeting minutes.

- 5.0 Annual Audit – No later than 120 days after the end of each fiscal year, the Auditors must prepare an annual report on the operations and financial performance of the NFN for the previous fiscal year. See section 12 for additional information.
 - 5.1 The annual report must include the following:
 - a) a description of the services and operations of the NFN;
 - b) a progress report on any established financial objectives and performance measures of the NFN; and,
 - c) the audited annual NFN financial statements for the previous fiscal year, including special purpose reports.
 - 5.2 The annual report must be made available to the NFN Members.

- 6.0 Review and Evaluation of this Policy
 - 6.1 The Council will review this policy within 5 years of its adoption and decide whether further evaluative work is necessary. A record of the review will be recorded in writing and attached to the policy.

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Section 31 Bank Accounts

- 1.0 Objective
 - 1.1 The objective of the policy is to describe how bank accounts are to be maintained.
- 2.0 To ensure that banking processes are used effectively and are properly controlled, the NFN will use the payment and deposit facilities of an authorized Bank.
- 3.0 Persons signing cheques will have been delegated formal payment authority under the delegation of the section 10.
- 4.0 NFN bank account cheques must bear the original handwritten signatures of properly authorized personnel. They must not be signed using equipment capable of reproducing signatures.
- 5.0 Bank accounts are controlled centrally and control is vested with the Band Manager and/or their Designate. All requests regarding operation of the bank accounts must be recommended by the Band Manager and/or their Designate to the Council, and approved by the Council in the form of a motion.
- 6.0 Only the Council may establish NFN bank accounts with financial institutions.
- 7.0 Appropriate accounting and control procedures are in place for processing transactions, and for procuring, safekeeping, controlling and handling of cheques.
- 8.0 Signing officers never sign cheques payable to themselves. Cheques must never be made payable to "Cash".
- 9.0 The Band Manager and/or their Designate may, on the basis of improper use or on suspicion of such misuse, direct the Finance Department to withdraw the authority given to any person to draw cheques on a NFN bank account or to discontinue an account.
- 10.0 All bank and investment accounts must be in the name of the NFN.
- 11.0 The Band Manager and/or their Designate is responsible for the effective and efficient operation of departmental bank accounts, including immediately notifying the bank of authorized cheque signers, maintaining custody of blank and voided cheques, and advising the Finance Department of the limited minimal practical number of authorized signatures.
- 12.0 Cheques will not be signed in advance (blank cheques).
- 13.0 All disbursements are to made by pre-numbered cheques issued through the financial system (QuickBooks).
- 14.0 Cheque Runs – Salary cheque runs will be prepared biweekly and operational cheque runs will be weekly. Emergency cheques should only be approved on an exceptional basis and must be approved by the Band Manager.
- 15.0 Review and Evaluation of this Policy
 - 15.1 The Council will review this policy within 5 years of its adoption and decide whether

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further evaluative work is necessary. A record of the review will be recorded in writing and attached to the policy.

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Section 32 Bank Reconciliation

- 1.0 Objective
 - 1.1 The objective of the policy is to describe how bank reconciliations are to be prepared.
- 2.0 The receipt and deposit of funds and disbursements have direct impacts on the balance of bank accounts. Appropriate procedures to carry out these types of transactions are required to reconcile bank account statements with the recording of those transactions in the account records.
- 3.0 In order to verify and prove the accuracy of the bank's month-end statement and the General Ledger account records, the Band Manager and/or their Designate should review both and signify in writing this review by initialing the completed bank reconciliation.
- 4.0 The Band Manager and/or their Designate will perform a reconciliation of the bank statement by the 15th of the month.
- 5.0 The Band Manager and/or their Designate will compare the deposits listed on the bank statement with deposits shown in the accounting records and receipts book. Any discrepancies will be noted and corrected, and a list of errors or unrecorded items compiled.
- 6.0 Upon completion of the reconciliation, it should be presented to the Band Manager and/or their Designate for approval.
- 7.0 Review and Evaluation of this Policy
 - 7.1 The Council will review this policy within 5 years of its adoption and decide whether further evaluative work is necessary. A record of the review will be recorded in writing and attached to the policy.

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Section 33 Funeral and Burial Policy

- 1.0 Objective
 - 1.1 The objective of the policy is to describe how financial assistance for burial costs will be administered to Members.

- 2.0 Members eligible for assistance with burial costs include deceased NFN Members as identified on the Indian Registry as administered through Aboriginal Affairs and Northern Development Canada (AANDC) and/or NFN through a Membership Code in effect at such time.

- 3.0 Up to a maximum of \$4,500 per deceased NFN Member who was alive and registered on the date of the effect of this policy. Next of kin or Estate Trustee may apply for funds associated with funeral expenses.

- 4.0 Typical services and expenditures that are eligible but not limited to for coverage would include:
 - 4.1 Funeral services:
 - a) funeral home services;
 - b) embalming;
 - c) clothing for deceased;
 - d) casket;
 - e) urn;
 - f) cremation;
 - g) clergy or officiate (includes Traditional);
 - h) transportation of remains;
 - i) medical certificate of death;
 - j) registration of death; and,
 - k) burial or cremation permit.

 - 4.2 Cemetery plot:
 - a) Perpetual care; and,
 - b) Interment

 - 4.3 Memorials

 - 4.4 Newspaper obituary

 - 4.5 Provincial/legal documents

 - 4.6 Hospital costs associated with deceased care

 - 4.7 Traditional burial on Reserve:
 - a) burial plot;
 - b) pine box for casket;
 - c) community feast; and,
 - d) Traditional facilitation.

- 5.0 Next of kin or Estate Trustee must submit a written request and the appropriate application form as attached to this policy as Appendix P, as well as original documents, including original

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death certificate and receipts requesting access to funeral funding under this policy to the Band Manager for approval, processing and disbursement of funds.

- 5.1 Upon approval, the Band Manager or Program Director will forward the completed Funeral and Burial application form to the Finance Clerk, or designate, for further processing.
 - 5.2 The Finance Clerk, or designate, will forward the approved Travel Authority/Advance form to the Director of Finance, or designate, for payment approval. After approval, the Director of Finance, or designate, will return the Travel Authority/Advance form to the Finance Clerk, or designate, for cheque processing.
 - 5.3 The funeral and associated costs upon approval of the application will be paid directly to the Funeral Home providing the services or to the applicant if the costs owing to the Funeral Home have been paid.
- 6.0 Policy is not applicable to non-Members.
 - 7.0 Disbursement is not to exceed \$4,500 per deceased Member.
 - 8.0 Funds will not be disbursed without required documentation, authorization and approval of the Band Manager or Program Director.
 - 9.0 Funds for this policy are subject to allocations through the annual Operating Budget as approved by FAC.
 - 10.0 Review and Evaluation of this Policy
 - 10.1 The Council will review this policy within 5 years of its adoption and decide whether further evaluative work is necessary. A record of the review will be recorded in writing and attached to the policy.

Ratification Signature	Date of Initial Enactment	Date of Policy Review

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Section 34 Crisis Support Policy

- 1.0 Objective
 - 1.1 The objective of the policy is to describe how financial assistance for crisis support will be administered to Members.

- 2.0 Members eligible for financial assistance with crisis support will include NFN Members residing on Reserve as identified on the Indian Registry as administered through Aboriginal Affairs and Northern Development Canada and/or the First Nation through a Membership Code in effect at such time.

- 3.0 A family emergency is defined as a situation where NFN Members find themselves in a situation that has the potential to cause severe physical or emotional distress that can be addressed with the immediate and short term provision of funds for crisis support.
 - 3.1 To determine if the situation is a family emergency, NFN Member must submit an application

- 4.0 NFN Members must submit a written request and the appropriate application form as attached to this policy as Appendix Q, as well as original documents, including receipts or estimates requesting access to family emergency funding under this policy to the Band Manager for approval, processing and disbursement of funds.
 - 4.1 Upon approval, the Band Manager and/or their Designate or Program Director will forward the completed Crisis Support application form to the Finance Clerk, or designate, for further processing.
 - 4.2 The Finance Clerk, or designate, will forward the approved Crisis Support application to the Band Manager and/or their Designate, for payment approval. After approval, the Band Manager and/or their Designate, will return the Crisis Support application to the Finance Clerk, or designate, for cheque processing.
 - 4.3 Upon approval of the application, funds will be paid directly to the applicant.

- 5.0 Crisis Support will provide up to a maximum of \$1,000 per NFN Member involved in an emergency situation on or after the date of the effect of this policy. Only NFN Members may apply for funds associated with family emergencies.

- 6.0 Typical expenditures that are eligible but not limited to for coverage under Crisis Support would include:
 - 6.1 Travel expenses, including flights, accommodations and meals;
 - 6.2 Groceries;
 - 6.3 Utility bills;
 - 6.4 Formula, diapers and other necessities for children under the age of 2; and,
 - 6.5 Other expenses as deemed reasonable by the Band Manager.

- 7.0 Disbursement is not to exceed \$1,000 per NFN Member.

- 8.0 Funds will not be disbursed without required documentation, authorization and approval of the Band Manager and/or their Designate.

- 9.0 Funds for this policy are subject to allocations through the annual Operating Budget as approved by FAC.

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10.0 Review and Evaluation of this Policy

10.1 The Council will review this policy within 5 years of its adoption and decide whether further evaluative work is necessary. A record of the review will be recorded in writing and attached to the policy.

Ratification Signature	Date of Initial Enactment	Date of Policy Review