

# NIBINAMIK FIRST NATION



## FINANCIAL CODE

**Nibinamik First Nation**

Box 115

Summer Beaver, ON

POT 3B0

Ph. (807) 593-2131 Fax (807) 593-2270

# Section 1: Introduction

## 1.1 Principals of governing NFN Finances

Nibinamik First Nation (NFN) governs and serves our community's band members. Having healthy and sustainable finances is a key component of the governance of the Nation.

The Ogamakanuck of NFN has the responsibility to oversee the finances of the First Nation on behalf of NFN members. The Ogamakanuck ensure that the financial system established by the First Nation is open, transparent and lawful.

All financial decisions made by the Ogamakanuck and other decision makers in NFN respect the beliefs, customs and seven natural laws. NFN also keeps future generations in mind when it makes financial decisions.

Ogamakanuck delegates responsibility over financial matters to the Band Manager, who then hires employees with specific responsibilities. All employees that deal with financial matters must remember that their role is to serve the people of Nibinamik First Nation.

## 1.2 Role of the NFN Ogamakanuck

The elected leadership of NFN serve as the representatives of the NFN band members and the governing authority for the finances of NFN. It is the role of the Ogamakanuck as a whole to advocate for community members, to protect the community's financial interests, to set financial goals, approve annual budgets, develop and implement financial policies, and to hire and supervise the NFN Band Manager who is responsible for all NFN finance staff.

The Ogamakanuck, through the Band Manager, are the ultimate decision makers when it comes to finance issues within NFN. The Ogamakanuck delegate their authority over day to day operation of NFN finances to the Band Manager, but retain their authority for financial decision-making and the ability to set financial policies and procedures that apply to all employees including the Band Manager.

## 1.3 Purpose of Financial Code

The purpose of this Nibinamik First Nation Financial Code is to promote good governance over the finances of NFN, through the involvement of the NFN band members and the elected leadership of NFN.

This Financial Code (the "Code") is connected to the Nibinamik First Nation Financial

Policies and Procedures Manual (the “Financial Policy”). The Financial Policy contains the policies and procedures that govern the finances of NFN, and govern how employees of NFN deal with financial matters on behalf of NFN.

This Financial Code provides an opportunity for the band members of Nibinamik First Nation to reflect on the Financial Policy, and ensures that processes exist for the good financial governance of NFN by leadership on behalf of members.

#### **1.4 Overview of Financial Code**

The Financial Code is separated into four sections. The introduction section sets out the purpose and objectives of the Code. Section 2 provides an overview of the sections of the Financial Policy, in order that NFN band members can reflect on what is in the Financial Policy. Section 3 sets out the community’s rules on review and amendments to the Financial Policy. And Section 4 provides the NFN Ogamakanuck with instructions on communication with members regarding the Code.

## **Section 2: Overview of Financial Policy**

### **2.1 Overview of Financial Policy**

The Financial Policy has 34 separate policies and procedures contained within it. The policies and procedures set out the rules for elected leadership and for the employees of NFN to follow for the NFN finances and financial control.

### **2.2 Overview of sections of Financial Policy**

#### *Section 1: Financial Policies and Procedures*

This section provides an overview of the roles and responsibilities of the leadership. It clarifies that the Council has the power and authority to appoint the Band Manager, and the council delegates to the Band Manager the authority and responsibility to implement the Financial Policy.

Section 1 also establishes that the Band Manager will review the Financial Policy on an annual basis, and present any policies that need amendments to Council for approval.

This Policy states that Council is responsible for approving all Financial Policies, procedures and directions, approving any capital acquisitions costing more than \$25,000, approving NFN budgets and financial statements, and approving any borrowing that NFN does.

#### *Section 2: Finance and Administrative Committee*

This Policy describes the roles and responsibilities of the Finance and Administrative Committee (FAC). The FAC has five members – one member from Council, and four NFN members appointed by Chief and Council.

The FAC is established to be a financial oversight committee. Among other things they prepare budgets, review financial records monthly, review the NFN annual audit, and report any issues to Chief and Council.

### *Section 3: Accounting Systems*

This Policy outlines the responsibility for NFN to have a financial record-keeping system to track its spending and financial items.

The Policy requires that staff prepare bank reconciliations monthly, and that all accounting and reporting systems will be based on Generally Accepted Accounting Principles.

### *Section 4: Financial Budget Management*

This Policy sets out a process for the creation, assessment and approval of budgets for the NFN departments. Each NFN department creates its own budget, and presents the budget to the Finance and Administrative Committee (FAC). The FAC reviews the budgets, and if acceptable, presents the budget to the Chief and Council for approval.

The Band Manager is responsible to create an annual budget for the entire First Nation, combining all of the department budgets.

If the budgets are approved by Chief and Council, each department is responsible for monitoring their own program budget. Every three months, the Program Managers will summarize how they are following their budget, and provide that summary to the Band Manager.

Any amendments to the budgets will be approved by Chief and Council.

A summary of the annual budget is available to members of NFN.

### *Section 5: Delegation of Financial Signing Authorities*

This Policy establishes a process where Chief and Council can delegate their responsibility for signing on financial matters. Delegation can be made to the Band Manager or to Program Managers. In some cases, individual employees can be delegated some responsibility. The Policy contains rules and requirements to make sure that when delegation for signing authority happens, there are protections in place.

### *Section 6: Request to Purchase Goods and Services*

This Policy establishes controls over purchasing goods and services on behalf of NFN. There is a two-step process – first is the ordering of the goods and services. Second is the expenditure of funds for the goods and services, which is done by the finance department.

The Policy puts restrictions on how an employee can use a purchase order to order goods and services. Spending authorities are set for positions within the organization by Chief and Council, and any changes to spending limits are approved by Chief and Council.

At all times, items over \$25,000 must be approved by Chief and Council.

#### *Section 7: Disbursements*

This Policy ensures that there are appropriate processes for payments of goods and services.

There must be an invoice submitted to finance, and appropriate authority to approve the purchase must be shown to the finance department prior to the invoice being paid.

The policy sets out the procedures that finance department will follow prior to making payments on any invoice for NFN.

#### *Section 8: Accrued Liabilities*

This Policy requires that all liabilities are included in financial reports. The Policy sets out that the Band Manager has the responsibility to ensure that all payable amounts are included on reports.

#### *Section 9: Petty Cash*

This Policy sets out the steps required for the use of petty cash in NFN. There will be a \$1,000 petty cash fund established, and a number of rules are in the policy that governs how employees can use the petty cash for NFN business.

#### *Section 10: Cheque Signing Authority*

This Policy establishes rules for who can sign cheques on behalf of the First Nation. The Policy sets out that Chief and Council will approve which staff and council members can administer the funds for everyday operations of NFN, as well as approve any changes to who has signing authority.

The Policy sets out that each cheque requires the signature of two authorized signing authorities.

#### *Section 11: Account Verification/Disbursement*

This Policy ensures that controls are in place to verify payments made by NFN. The Policy sets out the checks and balances to make sure that all NFN spending is done properly. The Policy sets out processes for Spending Authority, Payment Authority, and other documentation required for approval of things such as contracts, leases, or other binding agreements.

#### *Section 12: Annual Year-End Audits*

This Policy establishes the requirements for NFN to have an audit process in place, and that there is an annual audit meeting the needs of NFN.

NFN is required to have an annual audit for each fiscal year.

The Policy sets out the rules and criteria for selecting an auditor, and the timelines for making sure that the audit gets completed on time. The Policy also requires that the audit is presented to the FAC for recommendation to Chief and Council, and ultimately must be approved by Chief and Council.

#### *Section 13: Tangible Capital Assets*

This is a Policy that requires all Tangible Capital Assets to be recording following proper accounting standards.

This Policy covers things such as roads, buildings, vehicles, equipment, land, water, and other utility systems, and other things owned by the First Nation.

The Policy sets out a requirement for the Director of Finance to maintain a record of assets and their values, and give that record to the auditors and funding agencies as required.

#### *Section 14: Gifts and Donations*

This Policy covers gifts made by NFN to charitable organizations or other campaigns. Only the Band Manager can approve a donation. The annual budget for donations will be set by Chief and Council when approving annual budget. This policy also sets a limit on individual donation amounts.

#### *Section 15: Conferences and Workshops*

This Policy sets out approvals and funding for employees to attend conferences and workshops. The Policy requires that employees have to apply to attend conferences. That application requires approval by the Department Manager.

### *Section 16: Financial Coding Manual*

This Policy establishes NFN's system for classifying its accounts, to help with reporting financial transactions. The Band Manager is responsible for the financial coding system.

### *Section 17: Electronic Authorization*

This Policy covers all electronic business transactions, to make sure that safeguards are in place on the use of electronic transactions. The Policy sets out rules for the use of digital signatures, and electronic authorization of financial transactions. It also requires that NFN maintain a complete audit trail of all electronic financial transactions.

### *Section 18: Loss of Money*

This Policy establishes processes for any event where there is a loss of money from NFN. The process involves identifying the loss as soon as possible, and identifying whether further action is required. The Policy sets out a process that Chief and Council must approve any loss of more than \$250 being entered into a budget.

### *Section 19: Accounts Receivable*

This Policy sets out the process for the collection of amounts receivables by NFN. The authority is delegated to the Band Manager to ensure that accounts receivable ledgers are reconciled as required, and adjusted as required, and that the accounts receivable reports are presented monthly to the FAC and Chief and Council.

The Policy also establishes the process for collecting outstanding debts to the First Nation, including debts on housing or utilities from members.

### *Section 20: Claims against NFN*

This Policy governs how NFN will deal with legal claims made against the First Nation. The Policy involves NFN conducting an investigation of the situation, and discussing next steps with NFN's lawyers.

### *Section 21: Hospitality and Entertainment*

This Policy governs how NFN will extend hospitality during functions, including to employees as well as guests of the First Nation, in a way that is consistent with the values of the First Nation.

### *Section 22: Membership and Professional Association Dues*

This Policy covers the ways that employees can be reimbursed for their membership and professional association dues. This Policy applies to employees who have to maintain professional or other membership in a regulatory body.

### *Section 23: Contracts and Tendering*

This Policy sets out a process to ensure that goods and services are acquired by NFN in a competitive and fair way, that maximizes value for NFN. This would apply for contractors or tenders, when NFN is securing services. The Policy sets out steps to follow depending on the size of the contract. It also sets out the process for tenders being issued by NFN.

### *Section 24: Honourarium, Reimbursement for Loss of Wages, Other*

This Policy establishes a fair and consistent process for the payment of honoraria to participants who provide advice or unpaid services to NFN. This Policy defines the types of activities for which honoraria are appropriate, and where reimbursement of lost wages is appropriate. The Policy also sets out the steps to follow in paying honoraria.

### *Section 25: Receipt and Deposit*

This Policy governs how NFN will account for receipts of money. It sets up a process for how to maintain proper accounting records for all money coming into the First Nation, including electronic deposits, and also sets out the process for how money is securely kept in the First Nation.

### *Section 26: Travel Management*

This Policy sets the rules for employees who are travelling on NFN business. It covers reimbursement for travel expenses, as well as the rules around travel authorization, arrangements and financial accountability for NFN employees. The Policy contains mileage rates, meal per diems, travel arrangement processes, and clarification on flights and hotel booking.

### *Section 27: Loans*

The Loans Policy outlines the rules for NFN regarding loans to employees or other individuals or businesses. The Policy establishes that NFN does not provide loans or loan guarantees, except in exceptional circumstances. The Policy sets out the process for



situations where loans may be considered in exceptional circumstances.

#### *Section 28: Cash and Strategic Investment Management*

This Policy addresses how money is to be invested by NFN. It limits the types of investments that NFN can make, and outlines how the First Nation will manage its financial investments.

#### *Section 29: Payroll*

The Payroll Policy sets out the roles and responsibilities of the NFN senior managers in regards to payroll management. It establishes how payroll records are to be kept, how pay raises are to be entered into budgets and approved, and how salary grids are set up. It also addresses the internal controls that NFN will have in place to make sure that all changes to payroll records are completed and authorized.

#### *Section 30: Financial Statements*

This Policy sets in place the requirements for the financial reporting of NFN. The Policy sets out that financial reporting is done with monthly financial statements by the Band Manager to the Chief and Council. The monthly financial reporting will include a balance sheet, consolidated statement of revenue and expenditures by department, and detailed statements of revenue and expenditures for each department in comparison with the department's annual budget.

The Policy also requires quarterly financial statements, and an annual audit completed by the NFN auditors.

#### *Section 31: Bank Accounts*

This Policy covers how bank accounts are to be maintained by NFN. The Policy only permits bank accounts to be opened and controlled by properly authorized NFN employees or Chief and Council. The Band Manager is responsible for controlling and monitoring the bank accounts. All bank accounts must be in the name of NFN.

#### *Section 32: Bank Reconciliation*

This Policy describes how bank reconciliations are to be prepared. The Policy tasks the Band Manager with reviewing the bank reconciliation monthly.

#### *Section 33: Funeral and Burial*

This Policy outlines how financial assistance for burial costs will be administered to members. It establishes that NFN can provide support for funeral and burial costs, up to a maximum amount per member, and sets out what those supports can be used for. It also sets out the process for band members to apply for funding support for funeral or burial services.

#### *Section 34: Crisis Support Policy*

This Policy establishes how financial assistance for crisis support will be administered to members of NFN. The Policy describes who is eligible for support and when, as well as setting out the process for how NFN members can submit their request for support. The Policy also outlines the approval process, and the amounts available and what those amounts can be used for.

## Section 3: Creation, Amendment and Approval of Financial Policies

### **3.1 Governing Principles**

The members of Nibinamik First Nation elect the Ogamakanuck to operate the First Nation, and represent the band member's interests.

The members of Nibinamik First Nation expect that the Ogamakanuck establishes policies, procedures and other governing regulations to ensure that finances of the First Nation are used in an effective, efficient and sustainable way, in accordance with proper financial management requirements, and in keeping with the traditions and values of NFN.

The members of Nibinamik First Nation expect that the Ogamakanuck take all proper steps to ensure that the finances of the First Nation are well governed, and that NFN money is only spent following proper authorization and following established policies and procedures.

The members of Nibinamik First Nation require that the Ogamakanuck establish effective financial monitoring and assessment to ensure that policies and procedures are being followed and that the use of NFN funds meets a high standard of accountability.

The members of Nibinamik First Nation require that the Ogamakanuck review and revise NFN's financial policies and procedures on a regular basis.

### **3.2 Ogamakanuck to ensure financial audit is completed annually**

The members of Nibinamik require that the Ogamakanuck have completed an annual financial audit by an accredited auditor, and that the audit is presented to the band membership at the Annual General Meeting.

### **3.3 Ogamakanuck authority to enact Policies and Procedures**

The members of Nibinamik First Nation authorize the Ogamakanuck, acting through quorum of council, to create, approve and ratify any new Financial Policies and Procedures that, in the view of the Ogamakanuck, are required by NFN.

The Ogamakanuck may delegate the creation of any financial policies and procedures to the Band Manager or others, as it sees fit.

The Ogamakanuck cannot delegate its authority to approve and ratify new financial policies and procedures. All new financial policies and procedures must be approved and ratified by a quorum of Ogamakanuck.

### **3.3 Ogamakanuck authority to review and revise Policies and Procedures**

The members of Nibinamik First Nation authorize the Ogamakanuck, acting through quorum of council, to review and revise any new Financial Policies and Procedures that, in the view of the Ogamakanuck, are required by NFN.

The Ogamakanuck may delegate the review and revision of any financial policies and procedures to the Band Manager or others, as it sees fit.

The Ogamakanuck cannot delegate its authority to approve and ratify the revised financial policies and procedures. All revised financial policies and procedures must be approved and ratified by a quorum of Ogamakanuck.

### **3.4 Ogamakanuck to ensure policies and procedures provided to employees**

The members of Nibinamik First Nation expect that the Ogamakanuck, through the Band Manager, shall provide copies of all financial policies and procedures currently in place to all employees of the NFN who deal with financial matters for NFN.

## **Section 4: Communication with Membership**

**4.1 Ogamakanuck to confirm to members that policies reviewed and ratified**

The members of Nibinamik First Nation require that the Ogamakanuck report to members once per year, at a members meeting, the financial policies that were enacted during the previous year.

This update shall include the name of the policies that were enacted and a brief explanation of the policies. The policies shall not be shared with members.

The annual update will also include policies that were revised and ratified during the previous year.

**4.2 Ogamakanuck to present annual financial audit to members**

The members of Nibinamik First Nation require that the Ogamakanuck present the annual financial audit to the members of NFN at the NFN Annual General Meeting.

THIS FINANCIAL CODE WAS HEREBY APPROVED BY THE MEMBERS OF NIBINAMIK FIRST NATION THIS \_\_\_ DAY OF \_\_\_\_\_, 2023, AT NFN’S ANNUAL GENERAL MEETING.

A LISTING OF BAND MEMBERS IN ATTENDANCE IS ATTACHED TO THIS DOCUMENT.

A MAJORITY OF BAND MEMBERS IN ATTENDANCE VOTED TO APPROVE THE FINANCIAL CODE.

SIGNED:

\_\_\_\_\_  
Ogamakan Michael Sugarhead

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Deputy Chief Gershom Beaver

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Councillor Hezekiah Neshinapaise

\_\_\_\_\_  
Councillor Jolene Neshinapaise

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Councillor Richard Roundhead

